



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Laura Church
Chief Executive
Bedford Borough Council
Borough Hall, Cauldwell Street
Bedford
MK42 9AP

06 February 2025

Dear Laura,

Cleat Hill, Bedford

Thank you for your letter of 9 December to the Secretary of State for Business and Trade, on behalf of the residents of Cleat Hill in Bedford, about insurance. Your letter has been passed to HM Treasury and I am replying as the Minister responsible for insurance policy.

I would like to express my sympathies and those of the Government to the families of those who died in the explosion last October. I am also grateful to you and to Bedford Borough Council for your efforts to respond to the incident and support residents to return home. I am sorry to hear of the ongoing difficulties that residents are experiencing.

While the terms of individual insurance contracts can vary, the Government understands that home insurance policies are likely to cover damage to properties from a gas explosion. That will usually include arranging temporary accommodation or financial support where damage renders properties uninhabitable. Standard home insurance policies are unlikely to cover situations where residents have been told to evacuate but properties have not been damaged. In these circumstances, providing accommodation and support is usually the responsibility of the relevant local authority. As you are aware, mechanisms such as the Bellwin Scheme can provide financial help to local authorities for the immediate actions they take in the aftermath of an emergency, such as setting up rest centres and temporary accommodation. The scheme is administered by the Ministry for Housing, Communities and Local Government.

Your letter asks whether the Government will consider making insurers responsible for covering costs when residents are required to evacuate. The Government does not prescribe the terms, conditions or prices that insurance companies may set when offering insurance. This could damage competition in the market and increase prices for customers.

Your letter also expresses concern about the impact on the price and availability of insurance for Cleat Hill residents in future. The Government is committed to ensuring insurers treat customers fairly and firms must do so under Financial Conduct Authority (FCA) rules. The FCA is the independent body responsible for regulating and supervising the financial services industry. Consumers who feel that they have been treated unfairly by their insurer should first make a formal complaint to their insurer. Customers who then feel that their complaint has not been dealt with satisfactorily may be able to refer the matter to the Financial Ombudsman Service (FOS), the independent body set up to provide arbitration in such cases. The FOS can be contacted at:

Telephone: 0300 123 9123

Email: complaint.info@financialombudsman.org.uk.

Thank you for raising a matter of understandable concern and I hope this reply has been helpful

Yours sincerely,

A handwritten signature in black ink, appearing to read 'E Reynolds', written in a cursive style.

EMMA REYNOLDS MP