

The complaint

Mr M and Ms G are unhappy with the proposed settlement from U K Insurance Limited trading as Natwest Insurance (UKI) following a claim made under their home insurance.

What happened

In 2011 Mr M and Ms G's home was suffering from subsidence and repairs were carried out by UKI following a claim. In 2017 subsidence was found to have reoccurred and Mr M and Ms G approached UKI.

UKI accepted the claim as a follow on to the original subsidence claim. Following investigation, tree and vegetation removal and a period of monitoring, Mr M and Ms G's property was underpinned and stabilised by a specialist.

However, after this had been completed and scaffolding was removed from the exterior of their home, Mr M and Ms G discovered a gas pipe, which had previously been buried, was exposed. They asked for UKI to arrange for the pipe to be re-buried in its original location. UKI said this wasn't possible, and suggested it be rerouted, but Mr M and Ms G didn't agree.

Alongside being unhappy with the gas pipe rerouting proposal, Mr M and Ms G were also unhappy with the proposed repairs to their windows, and the method of repairs to their flooring. So, they approached this service.

Our investigator looked into things and he upheld the complaint in part. He considered the three main issues raised by Mr M and Ms G.

In relation to the windows, he said both inspections and reports completed said they could be repaired, so he thought UKI's proposal to do so was reasonable. He also said that UKI had suggested Mr M and Ms G provide quotes if they didn't agree, and this was fair in the circumstances.

In relation to the flooring, he said that UKI were in the process of considering this further. He recognised Mr M and Ms G were unhappy with UKI's proposed repair method and had asked to use their own contractor and receive a cash settlement. He said UKI were currently considering this and an appropriate settlement. And he outlined, if Mr M and Ms G remained unhappy once this had been offered by UKI, they could raise a separate new complaint about the flooring settlement.

Our investigator also considered the gas pipe part of the complaint. He said that whilst UKI's specialist hadn't buried the gas pipe when stabilising the property, to do so now, based on the evidence provided, would likely compromise the structure of the property. He thought the suggestion to reroute the pipe was reasonable in the circumstances. But he also said Mr M and Ms G should be compensated for the distress it had caused them by having the gas pipe exposed, given their concerns over safety.

He noted that UKI had offered £200 compensation for delays in the stabilisation works being able to be carried out and communication issues incurred in the earlier stages of the claim. But he thought UKI's handling had been reasonable since then and they'd been trying to move the claim forward. But to compensate Mr M and Ms G for the issues with the gas pipe, he suggested a further £250 compensation be paid by UKI.

UKI agreed with the recommended increase in compensation. Mr M and Ms G didn't agree overall with the investigators view of things.

As an agreement couldn't be reached, the case was passed to me for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I don't mean it as a discourtesy to either party, but I don't intend to comment on every event which has occurred throughout the history of the claim as both parties are already aware of this. Instead, I'll focus on the three complaint issues which remain in dispute. But having said that, both parties can rest assured that I've considered all the information provided when reaching my final decision.

Mr M and Ms G's home suffered from previous subsidence in 2011, a claim was made to UKI and they carried out repairs. In 2017 Mr M and Ms G's property suffered further movement and damage and this was again reported to UKI. The claim was accepted by UKI as a continuation from the original subsidence claim. However, following claim investigation, monitoring and stabilisation works, the following three main issues remain in dispute.

The windows

Following the original subsidence claim in 2011, Mr M and Ms G had new windows installed, and they've been damaged when the subsidence reoccurred in 2017. UKI accepted they'd been damaged by the subsidence, but the dispute here centres on the appropriate settlement and resolution for this.

Mr M and Ms G said they would either like a cash settlement to replace the windows at a cost (from a verbal quote) of £16-18,000, or instead they'd like UKI to pay them £10,000 compensation to take into account they aren't in the same condition they were prior to the recurring subsidence. Or as an alternative, a cash settlement which covers the windows being taken apart and effectively rebuilt.

UKI arranged an inspection of the windows in June 2021 whilst other issues were also being reviewed. Following this, UKI proposed repairing the windows. Mr M and Ms G disagreed with the proposal, so UKI arranged for a window specialist to carry out an inspection. But the conclusion was the same, that the windows could be repaired.

Mr M and Ms G disputed the later findings of the window specialist and their qualifications. They said the earlier inspection (mentioned above - in June 2021) was carried out by a Royal Institution of Chartered Surveyors (RICS) qualified agent, and they thought it appropriate to rely on their report. But they said UKI hadn't provided them with a copy of this report, so they weren't sure what the conclusions were.

Our investigator looked into things and considered both the reports and comments from the RICS qualified agent and the window specialist. He said UKI's window repair proposal was in line with both of these reports, and so he felt it was fair. He also provided a copy of the first report to Mr M and Ms G as they had requested.

Having looked at both reports, I'm also in agreement UKI's proposal to repair the windows is fair and reasonable. Both reports completed confirm that the windows can be filled and decorated and that this is a suitable repair method. Neither say they need to be taken apart or replaced.

Whilst I appreciate Mr M and Ms G strength of feelings on this, they haven't provided any evidence, such as expert reports, in support of their position that the windows can't be satisfactorily repaired. In the absence of this, I'm unable to conclude either the RICS agent conclusions, or those of the window specialist, are incorrect or unfair in the circumstances. So, I'm not going to direct UKI to pay the amounts Mr M and Ms G have asked for.

UKI also said that Mr M and Ms G can provide their own reports or quotes if they dispute the proposals or outcomes reached by either of the agents who concluded repairs are appropriate. Mr M and Ms G haven't yet done this. If Mr M and Ms G do decide to obtain their own reports, they should submit them to UKI for consideration. After this, if Mr M and Ms G remain unhappy with the decision ultimately reached by UKI based on this new information, we may be able to consider this as a new separate complaint.

The flooring

UKI said the flooring would need to be lifted in order to investigate and repair it. And they said the furniture would need to be removed from the room for the duration of this. Due to the time of the year when this was first proposed, Mr M and Ms G were unhappy with this proposal, so it didn't go ahead.

Mr M and Ms G have found their own contractor who they say can carry out the works using a different method, which they say is more suitable as the furniture won't need to be removed.

UKI has confirmed they are currently considering this and an appropriate settlement amount. So, as the settlement hasn't yet been reached, I'm not able to reach a finding whether it is fair or reasonable (or to know whether Mr M and Ms G are unhappy with it). But UKI has recognised Mr M and Ms G's concerns about the repair method and is considering this, in order to calculate a settlement.

Once UKI has offered settlement based on the information provided by Mr M and Ms G, if they remain dissatisfied, we may be able to consider that as a new separate complaint. But at this stage, I've not concluded that UKI has acted unfairly.

The gas pipe

Following the recurrence of the subsidence in 2017, vegetation was removed and Mr M and Ms G's property underwent a period of monitoring to establish if it was no longer moving. However, as movement was still detected, the decision was made by UKI to carry out extensive works to stabilise the property.

This took some time to happen due to the wider environment at the time, and the need to carry out works at a certain point in the seasonal calendar, along with the expert contractor's availability. UKI recognised the delays in this being able to be carried out and poor communication and offered £200 compensation.

Ultimately the stabilisation work was completed in March 2021. However, when the scaffolding was removed from the front of Mr M and Ms G's home, they discovered a gas pipe which had previously been buried was left partially exposed. Mr M and Ms G were unhappy with this so raised their concerns with UKI, along with more general concerns about the underpinning depths.

UKI accepted the gas pipe was previously buried but wasn't when the stabilisation works were carried out. However, they say it's now not possible to do so, as there is a significant structural risk to the property by carrying out retrospective works to the stabilisation scheme.

UKI looked at other possible options for the gas pipe. This included consultation with Mr M and Ms G's gas supplier. They looked into things and quoted for the gas pipe to be rerouted and the gas box moved. However, Mr M and Ms G are unhappy with this proposal and say that it would impact on potential options for their front garden. They also say rerouting it would make them responsible for the pipe where it had been moved.

Whilst I appreciate Mr M and Ms G are unhappy with the proposed resolution to reroute the gas pipe, I think UKI's proposal is fair and reasonable in all the circumstances.

I say this because they have consulted with the stabilisation specialist, who has confirmed retrospectively altering the stabilisation works would likely significantly compromise the structural integrity of Mr M and Ms G's home. Given how extensive these works are in ensuring a property is stabilised, even in the event of further future external forces, I'm persuaded by the experts views that to now alter that, would lead to likely significant structural compromise of the property itself. So, this could significantly impact the property, when to the present time, the stabilisation work has resolved the subsidence and movement.

UKI has consulted with Mr M and Ms G's gas supplier for other options, and they've confirmed that it could be rerouted. Given they are gas experts, I'm satisfied that is the most reasonable option in the absence of being able to retrospectively alter the stabilisation works without posing a significant structural risk to Mr M and Ms G's home.

I also note Mr M and Ms G's concerns that they would be responsible for any issues with the gas pipe if it was moved. However, that's something hypothetical that might happen in the future. And more generally we'd expect an insurer to carry out (or arrange for a contractor to carry out) a repair which is lasting and effective. But if Mr M and Ms G did accept the proposed rerouting, and issues did arise in the future, they'd need to approach UKI to look into things based on what had actually happened.

But, whilst I am satisfied the proposal is fair and reasonable, I can also understand why Mr M and Ms G were dissatisfied and concerned that the gas pipe has been exposed for a number of months. So, I agree with our investigator that Mr M and Ms G should be compensated for this.

I recognise that it has taken some time to get to the point where stabilisation work was carried out and that some issues still remain in dispute, including those above. But where there are disputes, that will naturally cause timescales to be extended. From the information provided, it does appear that UKI has been trying to move things forward and looking at alternatives such as rerouting of the gas pipe, and appointing window specialists to give a further opinion on repairs when Mr M and Ms G raised concerns.

Whilst UKI has offered £200 in the earlier stages for delays in stabilisation works and poor communication, I think UKI should pay Mr M and Ms G a further £250 for the distress and inconvenience caused in relation to the gas pipe issue.

My final decision

It's my final decision that I uphold this complaint in part and direct U K Insurance Limited trading as Natwest Insurance to:

- In addition to the £200 compensation already offered, pay Mr M and Ms G an additional £250 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Ms G to accept or reject my decision before 6 April 2022.

Callum Milne
Ombudsman