

The complaint

Mrs I complains about how U K Insurance Limited trading as Sainsbury's Home Insurance ("UKI") handled her complaint on her home insurance policy.

What happened

Mrs I had home insurance that was underwritten by UKI. In November 2018 she made a claim after noticing cracks in the property. The claim was accepted under the subsidence cover and monitoring began.

In around June 2019 UKI concluded that the subsidence was being caused by vegetation that was owned by a third party organisation. It said this would need to be removed in order for the property to stabilise. It contacted the third party but was unable to get a positive response for some time. In October 2021 it contacted the third party to say that it would pay the cost of the removal if it agreed to it. The third party agreed and the tree has since been removed.

During this time UKI's contractors carried out various tests and monitoring to the property. And one of the holes it dug as part of this caused a retaining wall to collapse. Mrs I explained this to UKI but it didn't agree this was the cause. She got a report from an independent expert who concluded this was the cause. Based on this, UKI agreed to pay for the wall to be reinstated.

Mrs I was unhappy with how the claim had progressed and made a complaint. UKI responded in October 2021 but didn't uphold the complaint, as it said the reason the claim hadn't progressed was because the third party hadn't responded to its request for the tree to be removed.

Unhappy with this, Mrs I brought her complaint to this service. Our investigator considered all the issues and recommended the complaint be upheld. He said he didn't think UKI had done enough to chase the third party for the tree removal and this had added to the delays. And he said that UKI had only agreed to take responsibility for the collapse of the wall after Mrs I commissioned her own report. So he said UKI should reimburse Mrs I for the report, plus pay 8% interest. And it should pay £600 compensation to make up for the unnecessary delays it had caused.

Mrs I accepted our investigator's outcome. However UKI didn't. It said it had accepted responsibility for the wall before the report was commissioned so didn't agree it should pay for it. And it didn't agree it was responsible for any delays so didn't think compensation was due.

As agreement hasn't been reached, the complaint has been passed to me to decide.

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 note that Mrs I's claim has continued beyond UKI's final response to her complaint dated October 2021, and that she has remained unhappy with how it's handled matters. As part of this complaint, I'm only looking at issues up until this final response, so won't comment on what happened after this date. I understand this now forms part of a separate complaint.

Delays

Claims for subsidence often take a long time to settle. They often involve many months of monitoring, various contractors and mitigation work to address the cause, needs to be carried out before repairs can begin. This can often delay a resolution to the claim. When considering a complaint, I need to consider if the business in question has caused any delays that could have been avoided, above any unavoidable delays that are just part of a subsidence claim.

Here, I've considered the timeline of the claim, and I agree that the main cause of the delays has been the difficulties faced in getting the third party organisation to remove the tree identified as the cause of the subsidence. When there is a third party involved in a claim, it will often take longer to settle, as the claim moving forward is dependent on the actions of that third party which is outside of the businesses control.

But I'd expect to see that the business did all it could to ensure the claim was being moved along as promptly as possible. And here I think UKI could have done more.

The tree was identified as the cause in June 2019 and the third party organisation were first contacted around this time. Apart from some initial contact in November of that year there was very little response from them. And in February 2020 UKI had internal discussions about issuing a legal letter to force the third party to take action. However no such action was taken at that time. And it wasn't until October 2021 that UKI took more strong action, saying it would pay for the removal or move to repairs and charge them to the third party. This resulted in a quick response from the third party agreeing to the course of action.

While the actions of the third party are not within UKI's control, I can't see why stronger action wasn't taken between February 2020 and October 2021 to try and move this process on. A legal letter was discussed but never issued, and while the matter was chased, this wasn't done regularly and there were no further proposals for a resolution until October 2021. As the offer made then led to a much quicker response and resolution of the matter, I think UKI's lack of action towards the third party delayed the claim for a number of months when it could have been moved forward much earlier.

Due to this delay Mrs I has been living in a property that has worsening subsidence damage and has been unable to use her spare bedroom where her granddaughter usually stays. UKI also failed to provide Mrs I with meaningful updates in this time, which has meant Mrs I has had to repeatedly contact it, leading to further distress and inconvenience.

For these reasons I agree with our investigator's recommendation that UKI pay Mrs I £600 to apologise for the distress and inconvenience caused.

Wall

While carrying out its investigatory work, UKI knocked over a wall at Mrs I's property. It has now accepted responsibility for this and has paid Mrs I for the wall to be repaired. However

in order to get it to accept responsibility, Mrs I said she needed to instruct a contractor to report on the cause of the damage.

UKI has said that it accepted responsibility for the wall before Mrs I commissioned the report, so it doesn't agree this was necessary or that it should reimburse her for it. But it hasn't provided any evidence to show that this was the case. It's said that it accepted responsibility in June 2020 and made payment shortly after this.

However Mrs I has provided a copy of the letter she sent to UKI in December 2019 with the findings of her structural engineer report. Off the back of this she provided quotes dated May 2020 for the repairs. As UKI accept it agreed that the repairs were its responsibility in June 2020 this is after the report was commissioned and the quotes obtained. And as UKI hasn't been able to provide any evidence to prove the contrary, I'm persuaded that it changed its position and accepted responsibility for the damage to the wall due to Mrs I's expert report.

Based on this I agree with our investigator that UKI should reimburse Mrs I for the report. I also agree it should pay 8% interest from the date of the report to the date settlement is paid to make up for the time Mrs I has been without the funds.

My final decision

For the reasons I've given, I uphold Mrs I's complaint. I direct U K Insurance Limited trading as Sainsbury's Home Insurance to:

- Pay Mrs I £600 compensation.
- Reimburse Mrs I for the report showing the cause of the wall collapse.
- Pay 8% simple interest on this amount from the date of the report until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I to accept or reject my decision before 17 September 2022.

Sophie Goodyear
Ombudsman