

## **The complaint**

Mr and Mrs I complain about Hiscox Insurance Company Limited's handling of their buildings insurance claim.

All references to Hiscox also include its appointed agents.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving the reasons for my decision.

My decision considers events from April 2019 up to Hiscox's final response to Mr and Mrs I in January 2022. Any reference to events outside of these dates are purely for the context of answering this complaint.

## **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 understand Mr and Mrs I feel strongly about what's happened and have provided several submissions to support their complaint. I want to assure them I've considered everything they've said very carefully. However, we're an informal dispute resolution service, set up as a free alternative to the courts. And in deciding this complaint I've focused on what I consider to be the heart of the matter rather than commenting on every issue in turn. This isn't meant as a discourtesy to Mr and Mrs I, but it reflects the informal nature of our service, its remit and my role in it.

Having considered everything, I agree with the conclusions reached by the investigator for these reasons:

- The policy defines subsidence as any downward movement of the ground beneath the buildings, other than normal settlement. The policy defines buildings as any permanent structure including items fixed to or that form part of it – this also includes drains.
- From looking at the damage reported, and work carried out, I can see this extends beyond just damaged drains. Vertical cracks were observed and the brickwork at the damaged bay window was reported to be sloping downwards. This is consistent with subsidence and in line with the definition set out in the policy. I've not seen any evidence to persuade me this is obviously wrong, so I'm satisfied Hiscox have acted fairly in classing the claim as subsidence.
- Mr and Mrs I have pointed to communication made by one of Hiscox's agents, who said should the damage be subsidence they would have expected the drain to have moved, which they believed not to be the case.
- However, there are expert opinions setting out there was subsidence at the property. And it was previously agreed, between Hiscox and Mr and Mrs I, to deal with all matters as one claim, as initially they were being dealt as two. So even if I consider

the damage to the drain itself was not affected by subsidence, I'm satisfied the other damage, for the reasons I've set out above, is. So, I think Hiscox has acted reasonably in classifying this claim as subsidence.

- As part of accurately reporting claims, Hiscox is obligated to report all costs related to the claim.
- Hiscox has provided a breakdown of its costs for the claim. But Mr and Mrs I have asked for further specific detail of these costs, which Hiscox won't provide. Hiscox's costs are commercially sensitive, so I don't think it's unreasonable for it to do this.
- However, having reviewed the scope of works and the breakdown of the costs and work carried out, I'm satisfied it is a fair representation of the things addressed in the claim.
- Several items of work developed during the claim, such as Hiscox agreeing to re-lay the driveway and works needed to create sufficient support to the Bay Windows. An underpinning solution was put in place to ensure a lasting and effective repair for the Bay Window, after other measures were insufficient. This is often an expensive repair in itself.
- Mr and Mrs I provided responses to questions they put to a Quantity Surveyor. In the email the Quantity Surveyor says works should have cost significantly less than the figure provided by Hiscox. But from reviewing the email, I'm not persuaded it sets out all work and investigations carried out. For example, it doesn't mention the eventual underpinning work – which had to be pursued after another option had failed to effect a lasting repair. So, I'm not persuaded the figure provided by the Quantity Surveyor is an accurate representation. And as I've set out above, I'm not persuaded the amount costed by Hiscox is unreasonable.
- Hiscox have an obligation to correctly report the details of claims it handles. I understand the concern, and potential impact having a subsidence claim recorded causes, but I don't think Hiscox have acted incorrectly or unfairly to record the claim as it has for the reasons I've set out.
- It's not unusual for claims of this nature to take some time to be resolved, so I won't be holding Hiscox responsible for delays I believe were reasonably unavoidable in the timeframe I'm considering in this complaint.
- However, I can see there were delays in further works commencing following drainage repairs. This was due to miscommunication within Hiscox and so this was avoidable. But I don't think otherwise Hiscox has caused further avoidable delays in how it progressed the claim.
- Our investigator recommended Hiscox pay Mr and Mrs I £200 compensation for the avoidable delays and in the circumstances, I agree this fairly reflects the inconvenience caused.

So for these reasons, I uphold this complaint.

### **My final decision**

My final decision is that I uphold Mr and Mrs I's complaint.

To put things right, I direct Hiscox Insurance Company Limited to pay Mr and Mrs I £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs I to accept or reject my decision before 17 March 2023.

Michael Baronti  
**Ombudsman**