

## **The complaint**

Mr and Mrs M complain QIC Europe Ltd have unfairly declined their buildings insurance claim.

All references to QIC 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 my reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- Mr and Mrs M instructed an independent surveyor (S). Investigations have been carried out which have led the surveyor to conclude the damage to be a result of a leaking drain – which had caused subsidence.
- QIC said while there may be new damage, this is a continuation of previous issues at the property and a result of historic movement.
- It's not in dispute the property has suffered historic movement, but S has highlighted this is new progressive movement.
- I've not seen any evidence Mr and Mrs M would've been reasonably aware of previous subsidence at the property. They've provided a copy of a purchase survey from when they bought the property, around 10 years ago, which doesn't highlight any issues with the home that relate to subsidence.
- While I acknowledge QIC's comment these reports are not usually in-depth, I don't see anything to persuade me there was a requirement for it to be. If there were visible signs of any type of damage, or issue at the time, I'd reasonably expect this to be highlighted in the report – and it wasn't.
- QIC have pointed to work carried out at the property which it believes to be recent. It feels this work should have highlighted subsidence related issues at the time and wasn't reported. So was likely occurring prior to the inception of the policy.
- Mr and Mrs M said they had renovation work carried out to correct weather pointing when they first moved into the property. However, this wasn't related to subsidence. And I've not seen no evidence that persuades me it was.
- Ultimately, I'm persuaded by what S had said. Their findings are based on site investigations and a drain has been found to be leaking which matched what S felt was likely to be the issue prior to trial pits being dug. QIC has commented on what they feel has likely happened, but it's not supported by any investigations. I've also not seen anything that persuades me Mr and Mrs M would have been aware of the damage prior to when they made the claim. And given S has identified leaking drains

to be the issue, I think it's more likely than not the damage would've been more extensive if it had been occurring for some time.

So, for these reasons, I uphold this complaint.

### **Putting things right**

To put things right QIC should:

- Proceed to consider the claim under the remaining terms and conditions of the policy.
- Reimburse Mr and Mrs M the costs they've incurred for an independent surveyor if it hasn't done so already. If required, QIC can request sufficient proof of costs, such as an invoice.
- Pay 8% simple interest per annum from the date Mr and Mrs M paid this cost, until the date QIC makes payment

### **My final decision**

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

To put things right I direct QIC Europe Ltd to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 23 May 2023.

Michael Baronti  
**Ombudsman**