

The complaint

Mr and Mrs T complain that QIC Europe Ltd (“QIC”) have unfairly handled a subsidence claim made under their buildings insurance policy.

Any reference to Mr and Mrs T, or QIC includes respective agents or representatives.

What happened

The background to this complaint is well known to all parties so I’ve summarised events.

- Mr and Mrs T made a subsidence claim on their QIC policy in August 2019.
- QIC appointed various agents to investigate the damage and its cause.
- The cause of the subsidence was established to be due to a neighbour’s trees, which following correspondence with the council and neighbour, were removed in early 2021. QIC then carried out monitoring to establish the removal of the vegetation had resolved the subsidence issue. This monitoring was completed in November 2021.
- QIC reviewed the findings of the monitoring in January 2022 and said further stabilisation works would be needed. Following a further drain inspection, it said no further works were needed so repairs could begin.
- Mr and Mrs T complained. They said QIC had taken too long to progress the claim, and the outstanding repairs would mean their home is much colder this winter.
- QIC said it had handled the claim fairly, attributed the timeframe to necessary investigations and to factors outside of its control, including responses of third-party contractors.
- The complaint came to this Service and our Investigator upheld the complaint. She said QIC had unjustifiable delays across the latter part of the claim, detailing gaps in progression in late 2021 and across 2022. And she said any capacity issue for QIC’s agents sat with QIC as the insurer that was responsible for the claim overall.
- The Investigator said for these reasons, and as a result of poor communication on QIC’s part, QIC should pay £500 in compensation to Mr and Mrs T.
- Mr and Mrs T accepted this. QIC didn’t provide anything further or reply to the view.

So, the matter has been passed to me for an Ombudsman’s 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.

Having done so, I’m upholding this complaint. I’ll explain why.

- In this case, the claim in question has been accepted by QIC.

- To my knowledge, QIC has said it is satisfied the property is stable and will begin repairs or look to settle this in line with its obligations under the policy. As this matter is ongoing, I don't intend on commenting on it beyond saying I would expect it to take this matter forward promptly.
- The dispute here concerns Mr and Mrs T's belief that QIC has taken too long to handle the claim which has led to the claim still ongoing.
- ICOBS 8.1. requires insurers to handle claims promptly and fairly and to provide appropriate information on a claim's progress.
- Given the history of the claim has been detailed by our Investigator elsewhere at length I see no reason to repeat this in detail. But I agree with our Investigator that the earlier part of the claim seems to have progressed at a reasonable pace, and that the obstacles of identifying ownership of the nearby vegetation and obtaining permission to resolve this had slowed matters, but outside of the control of QIC given there were various third parties involved.
- From late 2021 there appear to be avoidable delays on part of QIC. This includes a gap between completion of monitoring in November 2021 and its review in January 2021. And a noticeable gap between August and October 2021 since the drainage survey was received and then actioned. While I understand these sorts of reviews can take time to complete, in these instances it appears to be gaps of months which is longer than I'd expect to see.
- QIC has said some of the time taken was due to awaiting work or input from agents. Again, I understand QIC may not have direct control over each of its contractor agents and their own workloads, but QIC is ultimately responsible for the actions of its nominated agents in a claim like this. So, it follows that I'm satisfied QIC is responsible for delays caused by any contractors or agents it has appointed.
- In 2022, it also appears to have taken around ten months for QIC to determine further stabilisation works weren't necessary and moving the claim to repairs. I've reviewed the explanation and timeline given by QIC and it seems its agents did progress matters and complete necessary steps with the intent of ensuring the repair method was correct. However, once more between each of the steps of review across 2022 there are unexplained gaps of months that I'm not satisfied demonstrates QIC handled the matter promptly.
- I would also recognise QIC has kept Mr and Mrs T updated in places, but I think it could've handled this better than it did.
- I've thought carefully about the impacts of the delays on Mr and Mrs T in light of their personal circumstances, and I'm satisfied the Investigator's recommendation of £500 compensation is a fair and reasonable sum.

My final decision

I'm upholding this complaint. QIC Europe Ltd must pay Mr and Mrs T £500 in compensation to reflect the distress and inconvenience the matter has caused them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs T to accept or reject my decision before 11 January 2023.

Jack Baldry
Ombudsman