

The complaint

R complains about how Allianz Insurance Plc handled its claims on its Property insurance policy.

As a director of R, Mr B brought the complaint on its behalf.

What happened

R owns a number of properties for which it has property insurance with Allianz. In April 2021 he made a claim after noticing cracks at the rear of one of the properties. Allianz accepted the claim and sent a loss adjuster to inspect the damage. They concluded that the subsidence was caused by some nearby trees and confirmed that these should be removed or reduced in order to stabilise the property for repairs to begin.

During the course of the claim Mr B noticed further cracking at the front of the property. Allianz said this was being caused by a broken drain so would accept it but under a different claim.

In August 2022 the claims hadn't progressed much further and Mr B made a complaint to Allianz about its handling of them. It responded and agreed there had been some delays and said it would be providing feedback to its loss adjusters.

Mr B wasn't happy with this response as he said there were items that hadn't been accepted as part of one of the claims that should have been. And that the claims had still not progressed after over a year. He brought his complaint to this service.

On receiving the complaint our investigator contacted Allianz about Mr B's additional points relating to items that hadn't been accepted as part of one of the claims. Allianz asked this service to include these in our review of this complaint. However it said most of the additional damage Mr B was claiming for wouldn't be covered under the policy as it wasn't related to subsidence and had been present before the inception of the policy.

Subsequently, our investigator considered all points raised and recommended the complaint be upheld. She said she didn't think it were fair that Allianz had declined to cover the cost of the tree removal as this formed part of the required mitigation in order for the subsidence repairs to succeed, so said it should cover these costs. Further she said Allianz should cover the cost of the additional damage to the property that Mr B had raised as it hadn't done enough to prove that an exclusion would apply.

Mr B accepted our investigator's outcome. However Allianz didn't agree. It provided images taken from an online map that it said showed the damage Mr B was claiming for had been present for some time. And said it therefore wasn't related to the subsidence.

As agreement hasn't been reached, the complaint has come 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.

The matters in dispute in this complaint are split between two different subsidence claims. There is the subsidence that is caused by trees at the rear of the property. And the outstanding issues which all apply to the front of the property, that forms part of the second claim. I will address these in turn.

Subsidence caused by trees

Allianz has accepted the claim for the subsidence to the rear of the property. It's identified the cause and a number of trees that should be removed. However Allianz has offered no assistance in their removal and has said the cost wouldn't be covered under the policy.

I don't consider this to be fair or reasonable. Allianz has already accepted that the damage caused by the subsidence is covered under the policy. This means it takes responsibility for repairing that damage. And it states in its loss adjuster report:

'The cause of the movement needs to be dealt with first. We have completed a soil risk analysis (VISCAT Assessment) and we are satisfied that the assorted trees can be removed.'

'Given the abundance of trees at the rear we will be appointing the services of an arboriculturalist to provide a specialist report with specific recommendations. Our mitigation unit will liaise with both you and your neighbours as necessary to ensure the swift removal of the vegetation.'

'Following completion of the tree management works, we will undertake a suitable period of monitoring to confirm stability has been achieved before undertaking repairs to the property.'

This not only shows that tree mitigation works are required before any repairs can begin on the property, but also that initially the loss adjuster intended to take ownership of this process and the subsequent monitoring in order to move the claim forward.

Since, Allianz has said that the policy doesn't include cover for mitigation work, so the tree removal would be the responsibility of Mr B and his neighbour. However I don't agree this is a fair and reasonable application of the policy terms. As the tree removal is necessary for a repair to take place, and Allianz has accepted liability for the repairs, it follows that it should take responsibility for the required tree removal. As this is required in order for Allianz to carry out an effective and long lasting repair to the property, as it is required to do under the policy.

Further, the claim has now been ongoing for over a year with little progress made, and Allianz has accepted that it has caused unnecessary delays during this time. And in order for the claim to progress further, the trees need to be removed in order that the property stabilises. So I think it fair that Allianz assists Mr B with this process in order to move the claim forward.

I therefore agree with our investigator that Allianz should assist Mr B with the tree removal and cover the costs for this. It should claim back any costs that are owed from the neighbouring property directly.

Additional claim damage

Mr B has said that the following items haven't been included in the second claim but are related to the subsidence issues at the property:

- rebuilding badly leaning front entrance steps.
- repair/rebuilding of badly leaning ornate rendered window surrounds and sills.
- replacement of badly twisted and bowed hardwood front entrance door.
- Inclusion of brickwork repairs to the front side elevation.

Allianz has confirmed that the repairs to the brickwork to the front side elevation are covered and will be included in the repairs. However it's said all other items listed are not related to the subsidence and are historic issues that were present before the inception of the policy. It's provided images from an online map from years proceeding 2016 that it says proves this.

I've considered this but I don't think it's done enough to show an exclusion would apply here. The images it's provided show some damage to the areas Mr B is claiming for however it doesn't match his description or what I'd expect to see from subsidence damage. Mr B has described a leaning window frame and a twisted and bowed porch. Instead the images show that the areas of the property are suffering from wear and tear and maintenance issues, such as poor paintwork. Further, Allianz hasn't provided anything to show that the damage it has provided photos of is the same damage Mr B is now claiming for.

Further Allianz has agreed to cover damage to brickwork on a wall at the front side elevation of the property which is in the same area as the other damage Mr B is disputing. However it hasn't provided any information about why it considers that damage to be covered but not the other items. In fact despite being given ample opportunity to provide further evidence, Allianz has provided very little to show why the additional claim items wouldn't be covered or that it has taken any steps to properly consider these items.

Based on this, and in the absence of persuasive evidence to show the damage would be excluded, I don't consider it reasonable that Allianz has declined to cover the damage to the front entrance steps, window and sills and front entrance door. And therefore I don't consider it fair that it has relied on the exclusion for pre-existing damage to decline the claim. So, in the interest of not delaying the claim any further, I require it to accept these items as part of Mr B's claim and carry out the required repairs in line with the policy terms and conditions.

My final decision

For the reasons I've given, I uphold R's complaint. I require Allianz Insurance Plc to:

- Assist in arranging the removal of the trees causing the subsidence at the rear of the property. Cover the costs of this, claiming back any costs from third parties directly where relevant.
- Accept R's claim for the following repair work and carry out the required repairs:
 - rebuilding badly leaning front entrance steps.
 - repair/rebuilding of badly leaning ornate rendered window surrounds and sills.
 - replacement of badly twisted and bowed hardwood front entrance door.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 3 February 2023.

Sophie Goodyear
Ombudsman