

The complaint

Mr and Mrs P complain that QIC has unfairly handled a subsidence claim under their home insurance policy.

What happened

The background of this complaint is well known to both parties. So, I've summarised events.

- In October 2018 Mr and Mrs P made a subsidence claim under their QIC buildings insurance. They described internal and external cracking to the property.
- The claim was accepted, and investigations carried out. These suggested the damage was likely caused by clay shrinkage related to nearby trees, and that drain tests should be completed.
- An arboriculturalist was instructed and in June 2020. And a drain specialist
 investigated concluding drain repairs would need to be carried out these were
 completed by July 2021. The trees in question were removed and reinstatement
 works were completed in September 2021.
- Mr and Mrs P raised concerns about further cracking. And following some back and forth, in January 2022 QIC's regional surveyor agreed for further works to be carried out. These were arranged for April 2022 but due to further damage occurring, another review took place. Around this time QIC agreed to remove its contractor from the claim and sought to cash settle the matter instead.
- QIC's chartered surveyor revisited the property, made further recommendations, including some further repairs, use of new fillers and repainting.
- In September 2022 the chartered surveyor reviewed the condition of the property, saying further slight cracking had occurred, but this was likely to be due to the ground adjusting after the removal of the trees (given their size and number). They concluded there was no evidence of further or returned subsidence.
- Mr and Mrs P complained, saying the matter had taken too long, they had not been kept updated, the work completed was poor, and one of QIC's agents acted unprofessionally and was not welcome at their home.
- QIC provided a final response letter in October 2022. It said it appreciated Mr and Mrs P's frustration with delays that had occurred and offered £1,000 in compensation for the delays it had caused.
- Mr and Mrs P brought their complaint to this Service, providing many photographs of damage and repairs still required. They disputed QIC's cash settlement and scope of works (including the replacement of foundations of a wall and concerns about the quality of patio works). They also described in detail the ongoing impact the claim had on the life of their family, and their inability to decorate or carry out works to their home, and the frustration caused by insects entering the property through cracks.

- QIC issued a further final response in November 2022. It was satisfied its cash settlement offer was fair and that it did not agree that a wall needed to be replaced following a review from its technical team.
- One of our Investigators looked into what happened. Following some back and forth
 in relation to the cash settlement, QIC agreed to provide an alternative contractor to
 carry out the remaining works. QIC said other works Mr and Mrs P were seeking
 cover for, including cracking to the kitchen was not included as the damage was
 caused by thermal movement and not subsidence. It also said the disputed wall was
 built with insufficient footings/foundations so this wasn't something it would seek to
 replace.
- The Investigator assessed the complaint, in summary:
 - Based on the available evidence, he was satisfied QIC's scope of works was fair, including works to the wall – and that thermal movement was the likely cause of damage in dispute.
 - QIC's appointment of a new contractor to complete the works was reasonable. He said Mr and Mrs P had provided no independent expert evidence that conflicted with this. Nor was he persuaded that further patio works were required based on the available evidence.
 - He was satisfied there were delays, poor handling, and substantial level of distress caused to Mr and Mrs P due to QIC's mistakes. And its compensatory sum offered of £1,000 was sufficient in the circumstances.
- Mr and Mrs P disagreed reiterating the impact on their family. They agreed to a new contractor but wanted to discuss the scope of works again before repairs begin, and again said a replacement of the in-question wall was necessary. They also raised concerns about more recent matters.
- The Investigator said he was unable to consider matters that had followed after the final response letters. But he was satisfied QIC's scope to re-point the wall was sufficient. Mr and Mrs P remained unhappy, 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 satisfied QIC's offer of compensation is fair. I'll explain why.

- My role as an Ombudsman at this Service requires me to say how I think a complaint should be resolved quickly and with minimal formality. That means I'll focus on what I consider to be the crux of the complaint. Where I don't comment on every point made by the parties, that's not to say I haven't seen or considered them, it's just I don't consider it necessary to specifically reference them in reaching my decision.
- The crux of this complaint is about the extent of works required to put things right and QIC's claims handling. The issue regarding costs has now fallen away given QIC is going to carry out the works itself which Mr and Mrs P have agreed to.
- I've reviewed the scope of works provided. I acknowledge Mr and Mrs P feel strongly
 that further works should be included, including concerns about the wall and patio
 amongst others, but they've given me little in the way of expert evidence to support
 why QIC's proposed scope of works is either insufficient or wrong in its assessment
 that certain damage was caused by thermal movement. And having carefully

reviewed all of the available reports and evidence, I'm more persuaded by the professional opinion provided by QIC's technical team and chartered surveyor. So, I'm satisfied QIC's proposed scope of works is sufficient to put things right in line with the policy terms and conditions.

- Should Mr and Mrs P provide any conflicting expert opinion that demonstrates QIC's
 works are insufficient at some point, I would expect it to consider this. Likewise, QIC
 will be aware of its obligation to complete effective and lasting repairs. This means
 QIC is responsible for the works carried out by its contractors and to ensure these
 will be effective and lasting. And should any dispute arise down the line, this will be a
 matter for QIC in the first instance.
- In regard to QIC's claims handling, it is obligated to handle claims promptly and fairly. QIC has agreed that it has caused delays in this case. I've reviewed the timeline of events, and I'm in agreement it hasn't met its obligations. It's clear to me that this claim has caused substantial distress to Mr and Mrs F and their family. I've thought very carefully about the impact of the delays and poor handling, including their inability to carry out repairs, dealing with insects, and the living arrangements they've said the claim has led to, and especially how this has impacted their wellbeing.
- But I have to keep in mind that incidences of subsidence will inevitably cause an
 unavoidable degree of frustration and inconvenience to a homeowner, and I won't
 hold an insurer responsible for that. It is only the avoidable additional distress and
 inconvenience QIC's failings have caused that I will make an award for. And here, I'm
 satisfied the sum of £1,000 is a fair and reasonable way for QIC to acknowledge the
 impact of its poor handling of the claim on Mr and Mrs P. So, I'm not going to
 increase this sum.

My final decision

QIC Europe Ltd has already made an offer to pay £1,000 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that QIC should pay Mr and Mrs P £1,000 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 9 June 2023.

Jack Baldry
Ombudsman