

The complaint

Ms C and Mr C are unhappy with Ageas Insurance Limited's (Ageas) handling of a claim made under their buildings insurance policy.

Any reference to Ageas includes its agents.

What happened

In November 2021, Mr C was contacted by the tenants who live in a property he owns and rents out. The tenants noticed some cracking in the walls. In February 2022, Mr C logged a claim with Ageas.

Ageas appointed a loss adjuster who, in March 2022, recommended a trial hole investigation and a CCTV survey of the drainage system. Mr C felt it took too long to identify the cause of the damage and complained. A final response letter acknowledged it had taken some time for Ageas to inspect the report and decide on the next steps.

The claim was accepted in April 2022, and the loss adjuster said the main cause of movement was a defect with the drainage system. Over the next few months, Ms C and Mr C became frustrated with what they considered to be a lack of progress. To try and identify how to reduce the damage being caused, Ms C and Mr C arranged for a drainage company to provide a quote setting out the repairs that needed to be carried out. They also arranged for a separate company to provide a quote for stabilising the property and instructed their own structural engineer to review these. The structural engineer said the subsoil had been weakened by an escape of water from the drains. He concluded the resin-injection recommended by one of the companies instructed by Mr C would be the most effective way of stabilising the property.

The loss adjuster told Ms C and Mr C Ageas had said they would pay £9,000 for the internal repairs required. Ageas also said they would pay £3,000 for the drainage repairs; despite some indications the works could cost more than this. But there were also emails saying no action would be authorised until this service had reviewed the case. Ageas also questioned if some of the repairs recommended were betterment.

Ms C and Mrs C referred their complaint to this service. It was considered by one of our investigators who said Ageas needed to do more to put things right. She said they should pay for the repairs to the subsoil, as outlined by the company appointed by Ms C and Mr C. She also thought Ageas should reimburse Ms C and Mr C for the cost of the repairs to the drains (as by this point they'd had these repaired), appointing the structural engineer and for the survey carried out on the house and drains. She also said Ageas should pay Ms C and Mr C £400 compensation. She later recommended Ageas should go back and carry out a further inspection to determine if the offer for the internal repairs was sufficient given Mr C's concerns about this no longer being sufficient given the time that had passed. Ms C and Mr C accepted the investigators' opinions, but Ageas didn't reply within the timeframe set, despite asking for extensions. So this case has been passed to me.

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.

Both sides are familiar with the background of this complaint which is why I've kept the summary brief. I've carefully considered all the submissions made by both sides. My decision focuses on what I consider to be the central issues. I trust neither side will take this as a discourtesy, rather that it's a reflection of our informal nature.

The subsoil repairs

Ms C and Mr C have provided two independent reports, both of which indicated the subsoil under the foundation needed to be stabilised and recommended the most effective way to achieve this is by resin-injection. Ageas has provided a number of emails in which it states that this action is betterment, but I haven't seen a persuasive explanation as to why it believes this.

I'm satisfied Ageas was provided with sufficient opportunities during our investigation to supply evidence to support its view the resin-injection was betterment. As it didn't do so, I've reached a decision based on the information available. The structural engineer's report made the finding a lasting and effective repair would come from the resin-injection to the flank wall. To put things right, Ageas should pay for the cost to carry out this repair and, if they haven't done so already, Ms C and Mr C should provide Ageas with an updated quote for the work to the flank wall only.

Given the only persuasive findings for a lasting and effective repair have come from the structural engineer appointed by Ms C and Mr C, Ageas should also reimburse the cost they incurred as a result of instructing the structural engineer. Ageas should pay 8% simple interest from the date of payment until the date of settlement upon being provided with an invoice.

The drains

I haven't seen any evidence to explain how Ageas reached a figure of £3,000 for the repairs to the drains. But more than this, I haven't seen any plausible reason why Ageas would have delayed taking action to repair the drainage system when there were multiple independent reports which set out the repairs needed and the consequences of delaying these repairs.

Ageas were provided with ample opportunities to arrange for these repairs to be carried out but chose not to do so. I consider in the circumstances, Ms C and Mr C acted reasonably in arranging for the repairs to the drains to be carried out. I say this as they had frequently been told by their tenants the damage to the property was worsening. It's also clear from Mr C's emails that he carefully considered the original quotes for the drainage repairs provided and explored which set of works should provide a lasting and effective repair.

Ageas should reimburse Ms C and Mr C for the full cost of the repairs they arranged to the drainage system, in line with the updated quote. Ageas should also pay 8% simple interest from the date of payment until the date of settlement.

Our investigator recommended Ageas refund Ms C and Mr C the cost of the drains survey they arranged. She said she was satisfied Ms C and Mr C had acted reasonably when instructing the company to provide a quote given she did not consider the survey carried out by the company appointed by Ageas was reliable. Ageas hasn't provided any further comments for me to consider in response to this. I've considered both drainage surveys and

I find the one provided by Ms C and Mr C to be more detailed and persuasive in setting out what repairs should be undertaken.

Ageas should refund Ms C and Mr C the cost incurred to have the drainage company survey the house and drains. Ageas should also pay 8% simple interest from the date of payment to the date of settlement.

The internal repairs

Ageas hasn't provided with a breakdown of the works that the £9,000 was originally intended to cover. But I can't see that Mr C has disputed the works that needed to be carried out, so it seems both sides had agreed what would be repaired using the money. Following our investigators' opinion, Mr C said he didn't think the £9,000 towards the internal repairs and redecoration was sufficient. Our investigator thought the best time for this to be reconsidered was after the property had been stabilised.

If the £9,000 offered by Ageas for the internal repairs agreed by both sides is no longer sufficient to cover the works this amount was originally intended to cover, Ageas should rescope the works and increase this amount accordingly. I say this because Ageas hasn't given any clear reason for why it delayed carrying out repairs to stabilise the property. I don't think it's fair the delays it is responsible for should leave Ms C and Mr C out of pocket for repairs that would otherwise have been covered.

In relation to the damage that's recently been mentioned in the house, I'm inclined to agree that the most appropriate step is for Ageas to arrange for the loss adjuster to inspect the newer damage and consider if it should make Ms C and Mr C an offer in relation to that damage, subject to the policy terms.

I require Ageas to reconsider if the offer of £9,000 for the internal repairs is still sufficient, given the time has passed since this offer was originally made.

Compensation

I can see this matter has been very worrying for Ms C and Mr C. Its unfortunately the case that subsidence claims can take some time to be resolved, given the number of different factors involved. But here, the distress and inconvenience has primarily been caused by what appears to be avoidable delays in progressing the claim and arranging repairs. I'm mindful Ms C and Mr C weren't living in the property, but they were still impacted by the difficulties in trying to progress the claim. Ageas should pay £400 in recognition of the impact its handling of the claim had on them.

My final decision

I uphold this complaint. To put things right Ageas Insurance Limited should:

- Refund Ms C and Mr C the cost they paid for the repairs to the drainage system in line with the updated invoice. Ageas should also pay 8% simple interest* from the date of payment until the date of settlement.
- Upon being provided with an updated quote, Ageas should pay to have the resin-injection carried out to the flank wall.
- Refund Ms C and Mr C the cost they paid to instruct the structural engineer. Ageas should also pay 8% simple interest* from the date of payment until the date of settlement.

- Refund Ms C and Mr C the cost they paid to instruct the drainage company they appointed to survey the house and drains. Ageas should also pay 8% simple interest* from the date of payment until the date of settlement.
- Reconsider if the £9,000 offered is sufficient to carry out the agreed internal repairs. If it's not, Ageas should increase its offer, so the same internal repairs are covered.
- Pay Ms C and Mr C £400 compensation.

*If Ageas Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from any interest paid, it should tell Ms C and Mr C how much it's taken off. If requested, Ageas should also provide Ms C and Mr C with a certificate showing the amount deducted, so they can reclaim it from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C and Mr C to accept or reject my decision before 20 April 2023.

Emma Hawkins

Ombudsman