

The complaint

Ms H complains that QIC Europe Ltd unfairly declined a claim she made on her buildings insurance policy.

Reference to QIC includes its agents.

What happened

Ms H held a buildings insurance policy with QIC. When she noticed damage to her conservatory, she made a claim. QIC agreed to look at the claim.

A previous complaint has been raised relating to the progress of this claim. We issued a final response on that complaint in August 2021.

This complaint relates to events after that final response on that previous complaint. Namely, this complaint relates to QIC's decline of the claim.

QIC says it declined the claim because there's no evidence of damage to the main building. It says such damage is excluded from cover.

Ms H doesn't agree and thinks there is clear subsidence damage to the walls, so thinks the claim should be covered.

One of our investigators thought QIC's reasons to decline the claim were fair and in line with the policy. But she thought QIC should have come to this decision sooner, and the fact it hadn't coupled with its actions on the claim led to a significant loss of expectation for Ms H. She recommended QIC pay her £600 compensation.

Neither Ms H nor QIC agreed. Both asked for an ombudsman's decision. Ms H thinks the claim should be accepted and paid. QIC thinks the compensation is unfair because it paid £500 on the previous complaint we looked at relating to this claim.

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 in part. I'm not recommending QIC cover this claim, I think its decline is within the terms and conditions of Ms H's policy. But I agree with our investigator in that this decision could have been made sooner – and the fact it wasn't has impacted Ms H.

- Ms H's policy covers her for damage caused by subsidence. But it doesn't cover her for *"loss or damage to solid floors and caused by the movement of solid floors, unless the foundations beneath the external walls of the main building which you live in are damaged at the same time and by the same cause."*
- From what I've seen the reports show the likely cause of the damage is due to the

movement of a solid floor. I've not seen any expert evidence to counter this. And importantly, I've not seen anything to evidence there has been damage to the foundations beneath the external walls of the *main* building.

- I appreciate there is damage to the walls of the conservatory, but this looks to be where the structure *attaches* to the main building.
- So, I'm satisfied QIC is acting fairly, and in line with the available evidence when relying on the above exclusion to decline this claim.
- I agree this should have been realised sooner. It's QIC's responsibility to know the terms of its own policy.
- Throughout this claim Ms H has been led to believe her property had suffered subsidence damage, and some actions taken by QIC support that, such as removing trees and installing a soakaway.
- There's also been delays in actioning the claim after receiving reports. Which when considered as a whole do point to a poor experience and a significant loss of expectation.
- The installation of the soakaway and the removal of trees will have benefitted Ms H's property, and equally would have cost QIC. So, I'm mindful of that when considering what compensation is appropriate.
- But I'm satisfied £600 is reasonable. She was given the impression the claim would be covered and has had issues since the previous complaint which will have caused additional distress and inconvenience. To find that it now isn't covered will be even more distressing.

My final decision

For the reasons set out above, I uphold this complaint and require QIC Europe Ltd to:

- Pay Ms H £600 compensation

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

Joe Thornley
Ombudsman