

The complaint

Mr and Mrs C complain about how Allianz Global Corporate & Specialty SE handled their claim on their buildings warranty.

What happened

Mr and Mrs C own a property that benefits from a ten-year buildings warranty, that's underwritten by Allianz. Between 2018 and 2020 they made a number of claims after discovering various issues with the building.

In 2020 they made a claim relating to the structural integrity of an external wall in their kitchen. It had caused issues in the bathroom above and cracks had developed in the wall that suggested it was unstable.

Allianz appointed the original structural engineer to inspect the damage and subsequently accepted the claim. Mr and Mrs C appointed their own expert to draw up a plan for remedial works. This came to over £300,000.

Following this, Allianz asked the original engineer to review the proposed work and put together their own quote for the work they felt was required to put the defect right. This came in at a significantly lower cost.

Mr and Mrs C were unhappy with the quote provided and thought it inappropriate that the original engineer had been asked to put the problem right when they'd caused it in the first place. Because of this, Allianz appointed a third expert to give their opinion on the appropriate remedial work.

Mr and Mrs C asked for a copy of this report, however it took some time for this to be provided. They also asked for the fees of the professional experts they appointed to be reimbursed, but again this took some time.

Throughout the claims, Mr and Mrs C had been unhappy with how matters had been handled. They made a number of complaints during this time. In March 2022 Allianz responded to their most recent complaint and didn't uphold it. Due to this, they brought their complaints to this service.

While Mr and Mrs C had a number of issues they wanted to be addressed, the main concerns were as follows:

- Allianz hadn't followed a fair or proper process when appointing the various experts who had reported on the damage, including taking action without their consent.
- Allianz had failed to provide the reports from those appointed experts when Mr and Mrs C requested them.
- Allianz had agreed to pay the fees for Mr and Mrs C's loss assessor but it had taken many months to receive this payment.

- The claim had taken a long time to move forward due to delays caused by Allianz.
- The handling of their other claims under the warranty since 2018.

Our investigator considered the issues and said he was unable to consider the complaint relating to the other claims, as the complaints relating to these hadn't been brought to this service in the required time frame.

However he agreed Allianz had handled the claim for the structural defect poorly and recommended it pay £500 to apologise for the poor service and delays.

Allianz accepted our investigator's outcome, however Mr and Mrs C didn't. In summary they said:

- They didn't agree their complaint about the other defects had been brought out of time as Allianz referred to these complaints in its most recent final responses issued in March 2022 and they brought the complaint to this service in August 2022.
- It was inappropriate for the original engineer to be appointed to report on the damage in the first place and Allianz shouldn't have done this.
- Allianz tried to conceal the report from the third expert as this discredited the original engineer's report and this wasn't fair.
- When the third expert was appointed, this was done without Mr and Mrs C's consent.
- When it agreed to pay Mr and Mrs C's professional fees Allianz tried to get them to sign a form that confirmed no further payments towards these fees would be made, which was unfair and deceitful.

Mr and Mrs C asked for the complaint to be reviewed by an ombudsman.

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.

Jurisdiction

Firstly, I want to make clear what I am able to consider as part of this complaint. This service cannot consider every complaint that's referred to us. That's because we're bound by the rules laid down by Parliament and published by the Financial Conduct Authority ('the FCA'). These rules are known as the DISP rules.

DISP 2.8.2R(1) says that this service is unable to consider a complaint if it's been referred to us more than six months after the final response letter was sent, unless the business gives its consent. Here I can see that Allianz issued final response letters in answer to the concerns Mr and Mrs C raised about the previous claims in 2020. As they brought their complaint to this service in August 2022, this wasn't brought in time for this service to consider the matter.

Mr and Mrs C have pointed out that Allianz also referred to the complaints about the previous claims for 'other defects' in its letters issued in 2022. While I agree that it referenced these complaints, its position on the complaints didn't change. In fact it referred back to the previous final response letters for its stance. This service only considers a new

final response to have been issued about a complaint where the business in question changes its stance or addresses the issues in full again. Where it reaffirms its stance in a previous letter, then that response still stands, including the date by which the customer must refer the complaint to this service.

For that reason, I'm satisfied that the final response to Mr and Mrs C's complaints relating to 'other defects' was issued in 2020 and therefore wasn't brought to this service in the required time. In the final response letter from 2020, Allianz stated as follows:

'You have six months from the receipt of this letter to refer your complaint to the Financial Ombudsman Service; any complaints received after this deadline cannot be considered by the Financial Ombudsman Service.'

Therefore Allianz hasn't given consent for this complaint to be reviewed after the required six months. For these reasons I won't be addressing the merits of the issues relating to the 'other defects', as they fall outside of this service's jurisdiction.

Structural defect claim

Mr and Mrs C have raised a number of issues regarding this claim throughout the time Allianz has been dealing with it. As this is an informal service, I won't respond to each point directly. Instead I've focussed on what I consider to be key to my outcome. However I want to reassure them that I've read and considered everything they've submitted when reaching my decision.

It's clear that this has been a long and difficult claim. And there have been issues with how it's been handled from the start. From looking at the correspondence and reports related to the claim, I can see there have been some delays on each side. For example, while I understand Mr and Mrs C's reasons for withdrawing their consent for a third party to assess the claim, this did slow matters down.

However I agree Allianz could have done more to provide a better service to Mr and Mrs C and to move the claim on more promptly, for example:

- Mr and Mrs C requested a copy of the third report from Allianz and this wasn't provided for some time. While Allianz has said the initial report was just a draft and not suitable to be provided, I still think it could have taken action earlier to get the report finalised and sent to Mr and Mrs C. This delayed the claim from moving forward and meant Mr and Mrs C had to continually contact Allianz to chase it up.

Mr and Mrs C have said they think Allianz purposefully concealed the report from them. I've not seen any evidence of this. However I agree that Allianz could and should have acted more promptly.

- Allianz agreed to reimburse Mr and Mrs C the cost of their professional fees, less the applicable policy excesses. However it took it around ten months to issue the payment. And I've seen no good reason for this delay. In this time Mr and Mrs C had to chase Allianz for the payment, which caused them further distress and inconvenience.
- Mr and Mrs C have said that they believe Allianz breached their rights under GDPR legislation, as it appointed a third expert to the claim when they had withdrawn consent for their details to be passed on. It isn't the remit of this service to assess whether Allianz handled their data correctly, but instead to consider if it acted fairly and reasonably. Here, I think Allianz could have been clearer about who they were

appointing, what that expert's remit was and why the appointment was necessary. This could have allayed Mr and Mrs C's concerns at the time and helped them understand why Allianz felt it necessary to appoint the experts that it did. However as the information it provided wasn't clear, this led to unnecessary distress and concern for Mr and Mrs C that could have been avoided.

For these reasons I agree Allianz has handled the claim poorly at times. And has caused delays that could have been avoided. So I agree with our investigator that it should pay £500 compensation to apologise for these delays and poor service, as this is in line with this service's approach to complaints of a similar nature.

My final decision

For the reasons I've given, I uphold Mr and Mrs C's complaint and require Allianz Global Corporate & Specialty SE to pay them £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 25 July 2023.

Sophie Goodyear
Ombudsman