

The complaint

Mr I complains about how esure Insurance Limited handled his claim on his home insurance policy.

What happened

Mr I had a home insurance policy that was underwritten by esure. In February 2022 he made a claim after a survey of the property had identified subsidence.

esure set up a video call with Mr I and accepted the claim. However it said as the trees that were likely causing the issue had already been removed and there seemed to be no signs of further movement, then they could move straight to remedial repairs.

However Mr I had concerns about some drains near the property, as his survey had recommended they were inspected as another possible cause of the issues. He asked esure to inspect these but it declined.

Due to this Mr I instructed his own experts to do the work but he was unhappy with the standard. He contacted esure again and it agreed to cover the costs of the work he'd had done and to attend to the property to review the outstanding work. It sent a contractor in August 2022.

However by December 2022 no progress had been made and Mr I made a complaint. In response, esure offered £200 compensation to apologise for some delays. Mr I was unhappy with this and brought his complaint to this service.

Our investigator considered the issues and recommended the complaint be upheld. She said she thought esure had done very little to assist Mr I and this has caused him unnecessary distress and inconvenience. She thought it should pay an additional £550 compensation to apologise for this. She also thought it should reimburse him for the work he'd had completed so far and pay 8% simple interest to make up for time he'd been without the funds.

Mr I accepted our investigator's outcome. However esure didn't. It said it would pay a total of £500 compensation but said Mr I had caused some delays himself so didn't think it should be held responsible for these. It 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.

When an insurance claim is made, it's first for the insured to show that there's been an insured peril – that's something that's covered by the insurance policy. It's then for the insurer to either accept the claim or show an exclusion applies.

Here Mr I provided his own report that showed there was an insured peril – subsidence. And esure subsequently accepted the claim.

Subsidence is a complex issue and can be due to a number of different factors that influence the soil. On accepting a claim for subsidence we'd expect an insurer to first identify the cause of the damage and remove or mitigate it. We'd then expect it to check this had solved the issue – this is usually done by carrying out a minimum of six months monitoring.

Here, esure carried out a video call to look at the damage. As well as reviewing the report from Mr I's expert. It noted some nearby trees had already been removed and Mr I said he didn't think there'd been further movement.

However movement of a property isn't always visible to a customer from just observing the cracks. In order to be sure a property has stopped moving, proper monitoring for a good period of time is required. So I don't think esure did enough at this stage.

Further Mr I's report stated as follows:

'Repairs are likely to include some underpinning, although this should be a last resort. A period of monitoring is likely to be required to see if the issue is progressive.'

So it was clear that monitoring should take place in order to check the problem had been mitigated. The report also said:

'The condition of this drain should be investigated. Any drains to the rear should also be included in this investigation as they may have been damaged by tree roots.'

As well as influence from vegetation, leaking drains can also be a cause of subsidence. And as the report made clear that these should also be investigated, it's unclear why esure thought it suitable to move straight to remedial repairs without exploring this. Or why it declined to investigate the drains even when Mr I asked it to.

Mr I has said that since the complaint has come to this service esure is now carrying out further investigations. But this has to wait until monitoring of the property has been completed. While I'm pleased to hear proper checks are now being carried out on the property, if monitoring had been instructed straight away in February 2022 the claim would be much further forward at this stage. And it's unclear why esure didn't take this action at the time.

Due to this, it has caused a delay to the claim of many months. While progress was made, this was only due to Mr I instructing his own contractors and his constant chasing of esure. This has been both distressing and inconvenient for him and has likely added at least six months onto a subsidence claim that could have been avoided.

Due to this, I agree with our investigator that esure should pay Mr I an additional £550 to make a total of £750 compensation to apologise for the poor service and subsequent delays it has caused.

I also agree that it should reimburse Mr I for all claim related costs he has incurred on receipt of proof of these costs. And it should pay 8% simple interest from the date he paid for these until the date settlement is paid.

My final decision

For the reasons I've given, I uphold Mr I's complaint and direct esure Insurance Limited to:

- Pay Mr I a total of £750 compensation.

- Reimburse Mr I for claim related costs he has incurred adding 8% simple interest to the amounts from the date he paid for them until the date settlement is paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 8 September 2023.

Sophie Goodyear
Ombudsman