

The complaint

Mr and Mrs C are unhappy with the way QIC Europe Ltd has handled a claim they made for suspected subsidence and with how it has been recorded on external databases.

What happened

In August 2021, Mr and Mrs C made a claim to their home insurance provider – QIC – for cracking damage to their property. QIC appointed surveyors and later drainage specialists to investigate the claim on their behalf.

QIC declined the claim on the basis that there was no subsidence. It said the damage was most likely due to “roof spread” which isn’t covered under the policy terms.

Mr and Mrs C have complained that QIC took too long to investigate and decline the claim. And they say it has incorrectly recorded the date of claim, and that the claim related to subsidence, on the Claims and Underwriting Exchange (CUE) database – which has unfairly impacted their renewal premium.

Our investigator considered the complaint but didn’t think it should be upheld. She said the timescales involved in investigating and assessing the claim were reasonable. She also said the date of claim QIC recorded was fair in the circumstances.

Mr and Mrs C didn’t agree with our investigator’s conclusions. So, as no agreement had been reached, the complaint was passed to me to decide.

I was minded to reach a different outcome to that reached by our investigator. So, I issued a provisional decision to give the parties the opportunity to respond before I reached my final decision. Here’s what I said:

“What I’ve provisionally 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 intending to reach a different outcome to that reached by our investigator. So, I’m issuing a provisional decision to give the parties the opportunity to respond before I reach my final decision.

There are several separate elements to Mr and Mrs C’s complaint. I’ll address them in turn below.

The date of loss

Mr and Mrs C reported damage to their property to QIC in August 2021. At this point, they informed QIC that they had first noticed the damage around two months prior. For this reason, QIC recorded the date of the incident as June 2021. In the circumstances, this seems fair and reasonable to me, so I'm not intending to direct QIC to amend the date of loss it recorded

The timescales

Mr and Mrs C reported cracking damage to their property in August 2021. As this type of damage is most often associated with subsidence, QIC appointed a surveyor to inspect the damage.

The initial surveyor didn't reach a firm conclusion on whether there was subsidence or not. However, he highlighted that there was no apparent damage to the external walls, or the rooms which contained external facing walls – rather, the damage was localised to an internal hallway. The surveyor did note increased moisture readings in the bathroom and hallway. So, the claim was referred to an in-house surveyor for further review, and to a drainage specialist to investigate whether there were drainage issues.

I've seen a timeline of the drainage specialists' visits. While this does show that numerous visits were required, this appears to be because the drains initially needed to be pressure washed before a CCTV survey could be undertaken. The drainage specialist then needed to reattend to provide a detailed site plan, and then later to meet with QIC's enabling contractors to discuss which enabling works were required so that the drainage defects could be repaired. And I've seen copies of messages which were sent to Mr and Mrs C throughout this period, to keep them updated.

Taking everything into account, I don't consider there were any significant periods of unnecessary delay caused by QIC or its agents.

How the claim is recorded on CUE

Mr and Mrs C have complained that the claim has been recorded as a subsidence claim, despite being declined on the basis that there was no subsidence. They say this impacted their renewal premiums unfairly.

I'd seen that the renewal notice they received in 2022 included a subsidence claim. And I'd also seen that the claim record on the Claims and Underwriting Exchange (CUE) database has the 'Incident Description' field as 'Subsidence'. So, I wrote to QIC to explain that the claim should not be recorded as a subsidence claim given it was declined due to subsidence not being present. I also explained that if Mr and Mrs C's premium had been impacted by the claim being erroneously recorded, that I would be inclined to award them a refund of the additional amount plus interest.

QIC has since confirmed that it has amended its records, and the record on CUE, so that the incident description is 'Cracking' instead of 'Subsidence'. It has also provided a summary of the premiums Mr and Mrs C have been charged. This shows that they were charged an increased premium in 2022. QIC says this was based on the fact there was an open claim, which hadn't yet been accepted or declined, rather than because the incident description was subsidence. And it has pointed to the fact that the premium decreased to normal levels in 2023, despite the claim still being recorded as subsidence at the point of renewal, as evidence of this.

Based on what I've seen, I'm satisfied that Mr and Mrs C haven't been charged an increased premium, incorrectly, due to the claim being recorded as subsidence. I'm also satisfied that by amending the CUE record to cracking, rather than subsidence, that QIC has fairly corrected its error."

I asked both sides to send me any further comments or evidence they wanted me to consider before reaching my final decision.

QIC responded to confirm it accepted my provisional findings.

Mr and Mrs C responded, highlighting broader concerns about QIC's suggestion that the damage was due to roof spread. They said a specialist they employed said it is definitely not roof spread. They also highlighted poor communication from QIC when dealing with the 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.

I've also carefully considered the responses to my provisional findings. But having done so, my decision remains the same as outlined in my provisional decision. I'll explain why.

Mr and Mrs C have raised several concerns about the QIC's suggestion that the cause of damage to their property was roof spread and about poor communication. However, these points were not part of the complaint which was initially brought to our service.

At the time this complaint was referred to our service, QIC says Mr and Mrs C had accepted the claim decision but were unhappy with the length of time the claim took and the way it had been recorded. Those are the complaint points covered in QIC's final response letter, and so are all I'm considering as part of this complaint.

Should Mr and Mrs C wish to raise a complaint about those additional points, i.e the decision on the claim, the suggestion that the damage was roof spread or poor communication, they should do so with QIC directly in the first instance.

In terms of the issues which are part of this complaint, neither side provided any further comments or evidence. So, in the absence of new evidence, I've reached the same conclusions I reached in my provisional decision – and for the same reasons.

My final decision

For the reasons above, and in my provisional decision, I uphold Mr and Mrs C's complaint in part.

However, as QIC Europe Ltd has already amended its internal claim records, and the external the CUE record, I'll not be directing it to take any further action as it has already corrected its error.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 21 June 2023.

Adam Golding

Ombudsman