

The complaint

Mr and Mrs G complain about how Gresham Insurance Company Limited handled their claim, on their home insurance policy, for subsidence.

Throughout some of the claim and complaint Mr and Mrs G were represented by a family member. However for ease of reading I've referred only to Mr and Mrs G, but all references to them include the actions of their representative.

What happened

Mr and Mrs G had home insurance that was underwritten by Gresham. They'd previously had issues of subsidence at the property, and in 2006 part of the property was underpinned.

In 2018 they noticed cracks developing again and raised a claim with Gresham. The claim was accepted and the cause was identified as some nearby trees. However one was protected by a tree preservation order so Gresham had to apply to the council in order to arrange its removal.

Once this was arranged, Gresham carried out monitoring and concluded further underpinning of the property would be necessary. However due to delays and availability of contractors, it confirmed this wouldn't be possible until spring 2023.

Mr and Mrs G had been very unhappy with how the claim had progressed during this time. And that it had taken so long for the underpinning work to start. They made a complaint and in response Gresham offered £200 to apologise for a couple of missed appointments. Mr and Mrs G didn't think this was sufficient so they brought their complaint to this service.

Our investigator thought Gresham should increase the compensation to £1,000 as it had caused some significant delays.

Gresham didn't agree as it said the complaint was only about missed appointments which it had compensated for.

Mr and Mrs G didn't agree as they said they'd been significantly impacted as the claim had gone on for many years, so they thought more compensation was due.

As agreement hasn't been reached, the complaint has come to me to decide.

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 can see has been a stressful time for Mr and Mrs G. The claim has lasted for a number of years and has taken up a significant amount of their time. And I don't doubt that the stress this caused had an impact on their wellbeing.

Insurance claims for subsidence will often take a long time to resolve. The cause of the

subsidence first needs to be identified and this is usually followed by long periods of monitoring to ensure the property is stable. So this can take a long time – often years. In this complaint I'm considering the actions of Gresham, so I need to decide if it has caused additional delays that could have been avoided and the impact these have had on Mr and Mrs G, rather than just the natural impact of a subsidence claim.

At the time of Gresham's complaint response in July 2022, this claim had been ongoing for nearly five years. And at that time the remedial work was yet to begin. This is a very long time, even for a subsidence claim and I would have expected the claim to have progressed further by that point.

I've looked at the correspondence and claim notes provided by Gresham. And I can see that there were a number of issues that caused the claim to take longer than it should. Some of these were outside of Gresham's control. For example one of the trees that needed to be removed was subject to a tree preservation order. This meant Gresham had to go through the council in order to get it removed. This will usually be a lengthy process and will inevitably cause a claim to go on for longer than usual. Once removed Gresham then needed to carry out a period of monitoring which took further time.

However there are also a number of occasions when Gresham failed to act and the claim went long periods without being moved forward. In particular, the commencement of the underpinning and remedial work.

Mitigation work and monitoring had been completed by the start of 2022. And the scope of works was signed off in March that year. At this time, internal notes suggest remedial work should have started as early as April that year. But by the end of June, Gresham confirmed that the work would be unable to start until the following spring. And in the notes it said that this was in part due to poor communication between it and its contractors. This has led to around a year's delay in the remedial work. This meant Mr and Mrs G had to go another year waiting for the repairs, while the subsidence issue continued to develop. I understand this would have been very distressing and inconvenient for them.

There were also long periods where no updates were given and email correspondence wasn't responded to. I can see from the notes that actions to progress the claim were re-diarranged rather than being actioned as promptly as they should have been. This will have caused additional avoidable delays.

For these reasons, I agree with our investigator's recommendation that Gresham should pay a total of £1,000 compensation to make up for these delays. This is one of our larger awards for the time period I am considering. It more fairly reflects the delays Gresham caused than the £200 originally offered.

I know this will come as a disappointment to Mr and Mrs G as they feel the compensation should be much greater due to the impact the situation has had on them. And I don't mean to diminish the very difficult period they have been through. However based on the delays caused by Gresham, up until the final response letter issued in July 2022, this amount is at the higher end of what this service would award for complaints of this nature.

I note that Mr and Mrs G have said that due to the poor service provided by Gresham, the subsidence has got worse. However I'm pleased to hear that the underpinning work was due to begin earlier this year. And even if the subsidence has progressed, this should be addressed by repairs. So while I understand it will have been distressing to see the problem worsening, I would expect this now to be rectified through the schedule of repairs.

I also note that Mr and Mrs G have raised issues about possible drainage issues that have

recently been identified. They say Gresham should have acted sooner to address these issues as they were noted earlier on in the claim. As this is an issue that has developed since Gresham issued its July 2022 final response, I won't address it here. However I understand Mr and Mrs G have now raised this as a separate issue to Gresham. Should they remain unhappy after its response then they can bring the complaint to this service after that.

My final decision

For the reasons I've given, I uphold Mr and Mrs G's complaint and require Gresham Insurance Company Limited to pay a total of £1,000 compensation.

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

Sophie Goodyear
Ombudsman