

The complaint

Mr and Mrs R are unhappy with Covea Insurance Plc's (Covea) handling of a subsidence claim made under their home insurance policy. They are also unhappy with the quality of repairs carried out to their flooring.

Where I've referred to Covea below, this also includes any actions carried out by agents they appointed to handle things on their behalf.

What happened

In November 2016 Mr and Mrs R reported a claim for subsidence damage to their property.

Covea arranged for an inspection and monitoring of the property to be carried out. Ultimately repairs were finally completed in July 2022. However, Mr and Mrs R were unhappy with the quality of the flooring repairs, and the overall handling of their claim, so they raised a complaint.

Covea didn't issue their final response within the eight weeks they were allowed under the Financial Conduct Authority complaint handling rules, so Mr and Mrs R asked this service to consider their complaint.

After the complaint was allocated to one of our investigators, Covea then issued their final response. In this they agreed there had been delays in the claim and offered £1,000 compensation. However, Covea only accepted a small element of the floor tiles required rectification, rather than all of the flooring. They said their contractor could return and replace them with spares, but Mr and Mrs R had rejected this.

Mr and Mrs R were unhappy with Covea's position so asked our investigator to continue considering the complaint.

Our investigator reviewed things, but he didn't uphold the complaint or recommend Covea do anything further. He said Covea's offer in relation to the flooring was reasonable, and whilst he agreed there were delays in the claim, he thought Covea's compensation offer was fair.

Mr and Mrs R didn't agree and asked for a final decision from an ombudsman.

I reached a different outcome on part of the complaint to our investigator. So, I issued a provisional decision to give both parties an opportunity to comment on my initial findings before I reached my final decision.

What I provisionally decided – and why

In my provisional decision, I said:

"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 issuing a provisional decision. I'm minded to reach the same outcome as our investigator about the flooring, but I think further compensation is warranted for the claim handling part of the complaint. Therefore, I'm issuing a provisional decision, to give both parties an opportunity to comment on my initial findings before I reach my final decision.

The flooring

The flooring was replaced as part of the repair works. The issues Mr and Mrs R have raised with this are:

- *The tiles have been laid on crack mat rather than cement boards*
- *There are no levelling clips resulting in the tiles being lipped*
- *The grout is white rather than brown*
- *The floor is not level*

Mr and Mrs R have provided a brief report from a tiler that outlines this. In contrast, Covea's contractor says cement boarding was not the correct way to install the tiles and Mr and Mrs R agreed to this at the time, level clips were in fact used, the tiles are one metre long and have a natural bow in them, so it is difficult to take a level reading, and Mr and Mrs R had agreed to the colour of the grout.

Covea has offered to either lift and relay the two tiles they accept aren't quite level with the rest or provide the funds to do this if Mr and Mrs R provide costings. Whereas Mr and Mrs R say it is around 30 tiles which have an issue, along with the grout and underlay, and the whole flooring should be replaced.

Here the information is conflicting. Mr and Mrs R have also said photos wouldn't be able to show the issue they have with the flooring. So, in the absence of an independent report which shows one way or another, I need to decide on balance what is most likely.

As it stands, I haven't seen any conclusive evidence to show Mr and Mrs R agreed to the type of underfloor, but equally I haven't seen any evidence to show Covea agreed to what Mr and Mrs R asked for, and then reversed that decision. But either way, I haven't seen anything which supports that using the method Covea has is the wrong method, wouldn't create a lasting and effective repair, or that this would have caused any detriment. So, I'm not minded to direct Covea to replace the whole floor on this basis.

There is nothing to support any discussions surrounding the colour of the grout or what was agreed. And I don't think it would be proportionate even if I did have firm evidence to direct Covea to uplift the entire floor to replace the grouting alone. If there was firm conclusive evidence, I may have recommended compensation for the colour difference instead, but like I say, there is no evidence to support this.

Both parties disagree on whether there are level clips or not. But in the absence of evidence there aren't any, I don't think it would be proportionate to direct Covea to uplift the floor to establish this, especially in the absence of any detriment being caused if there aren't actually any.

Covea has said that the tiles naturally bow due to the type and design. I haven't seen any firm evidence which shows this is incorrect or shows it's how they were laid

which is causing this, and Covea's explanation seems reasonable. So, in the absence of this, I'm not minded to direct Covea to uplift and relay all the tiles, as if the tiles do bow as Covea say, then it's likely the tiles would be the same even after relaying them.

Mr and Mrs R also argue that to replace just two tiles could result in damage to the rest of the flooring. I accept that could happen. But that isn't known for certain, and equally it may not. And just because there is a possibility it could, that isn't enough to persuade me that Covea needs to replace the entire flooring on the basis of a potential issue.

However, if that was to occur whilst Covea was carrying out works then they'd need to put this right. Or if this was cash settled, which is one of the offers from Covea, and was unavoidably damaged when Mr and Mrs R's tiler was carrying out works, then they'd need to demonstrate this to Covea for further consideration.

With the above in mind, unless anything changes as a result of the responses to my provisional decision, I'm minded to conclude Covea's offers – either to relay the two tiles or cash settle this if Mr and Mrs R submit costs – are both fair and reasonable.

The claim handling

Covea offered Mr and Mrs R £1,000 compensation for their handling of the claim. Our investigator said there were around a year of delays, made up of smaller delays, and he thought the compensation already offered by Covea was reasonable. I'm not minded to agree, I'll explain why.

I'll also outline here that I don't intend on commenting on every event, communication or issue that occurred throughout the claim. I don't mean this as a discourtesy to either party, instead this reflects the informal nature of this service and my role within it. And as the claim duration was around six years, a lot has happened during this time. Instead, I'll focus on the key points in reaching my outcome, but I'd like to assure both parties that I've considered all the information they've provided when reaching my provisional decision.

Subsidence claims do by their nature take some time, so length of time isn't always an indicator of poor claim handling by an insurer. They often taken time due to monitoring being required, finding the cause of the subsidence and often complex repairs being required to carry out a lasting and effective repair. This can take some time from a claim being made to repairs being finalised.

Having said that though, this claim was made in November 2016 and repairs weren't concluded until July 2022. And this is a particularly long period, even in this type of claim.

There were things that caused the claim to be delayed which were outside Covea's control, for example:

- *Extended monitoring being required due to continued movement*
- *Tree preservation order being put in place*
- *Third parties not agreeing to tree's being removed*
- *Bats in trees preventing removal*
- *Covid and access being limited*

This is just an example of some of the things which contributed towards the delays which were outside of Covea's control. But in contrast there were also a number of things which both caused delays and resulted in a poor overall experience for Mr and Mrs R, which Covea were responsible for. For example:

- *Delays in Covea either arranging next steps, or chasing next steps, on multiple times over the years*
- *Root barrier being proposed but never explored or implemented, despite third parties not agreeing to tree removal and tree preservation orders*
- *Change of contractors due to a lack of progress*
- *Delays in responses from the surveyor internally, on multiple occasions*
- *Delay in requesting removal of the tree preservation order*
- *Drain surveys missed in 2017 so needing to be completed in 2019*
- *Changing proposed stabilisation methods and delays in drawing up schedules of works*
- *Delay in the start date of repair works*
- *Exploring whether not actually subsidence, five years into the claim*

As there were multiple things that should have gone very differently, it is impossible to say how long exactly the claim should have taken if it wasn't for the issues that arose. But from what I've seen, I think it's likely it should have taken around half this time as an approximation. One key component of this is that it's clear there would be issues removing third party trees, early on alternative repair methods were briefly mentioned to be explored, but nothing ever came of that despite the claim already having taken some considerable time. And due to the time taken, further monitoring needed to be completed. Ultimately when it eventually got to the repairs being completed, this was relatively timely compared to the overall claim duration, it just took far too long in my view to get to that point.

But along with the delays and issues I've outlined above, it's clear from the information I have been provided that Mr and Mrs R weren't kept updated. So, from their point of view, understandably, they were under the impression little to no progress was being made, even if things were happening in the background. There were also delays with the works being completed meaning Mr and Mrs R had to remain away from home much longer than expected, and this had an impact on the alternative accommodation and them needing to move.

Ultimately Mr and Mrs R chose to return home before repairs were finished despite only having a microwave and kettle as cooking facilities, due to how long they'd been out of their home and the impact on their pets. Had things have been handled differently, they should have been able to return home with repairs completed much sooner.

Having taken everything into account, I don't think £1,000 is sufficient compensation in the circumstances. Unless anything changes as a result of the responses to my provisional decision, I'm minded to direct Covea to increase the compensation to a total of £2,000."

So, I was minded to uphold the complaint in part and to direct Covea to increase the total compensation from £1,000 to £2,000.

The responses to my provisional decision

Covea responded and they agreed with my provisional decision and increased compensation.

Mr and Mrs R also responded. They said they were unsure if their tilers report had been considered when reaching the provisional decision, but they said they've now decided to overlay the tiles with a wooden floor anyway. So, they said they accepted the provisional decision and increased compensation.

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.

And I've thought carefully about the conclusions I reached in my provisional decision.

To reassure Mr and Mrs R, I did take into account their tilers report when reaching my provisional decision, and I explained where this differed to Covea's position on the tiles. And I'm satisfied with the outcome I reached on this point, so my final decision remains the same as my provisional decision in relation to the tiles. But in any event, Mr and Mrs R have said they are now overlaying the tiled floor with a wooden floor anyway and that overall, they accept my provisional decision.

As both parties accepted the increased compensation I was minded to direct Covea to pay, and neither party provided any further comments in relation to this, I see no reason to depart from my provisional decision on this point. Therefore, my final decision remains the same, and for the same reasons.

My final decision

It's my final decision that I uphold this complaint in part and direct Covea Insurance Plc to:

- Pay Mr and Mrs R a total of £2,000 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 23 August 2023.

Callum Milne
Ombudsman