

## **The complaint**

Mr P complains esure Insurance Limited has handled his subsidence claim poorly.

## **What happened**

In the summer of 2022 Mr P made a claim for subsidence against his esure home insurance policy. In early 2023 Mr P complained about a lack of progress with the claim. He felt esure had handled the claim ineffectively and caused avoidable delay.

In March 2023 Mr P came to the Financial Ombudsman Service. He was unhappy esure still hadn't got to the stage of agreeing a scope of works. He said he needs to urgently sell the property. He said the delay is preventing this and will result in him receiving a lower sale price. He says the stress involved has had an impact on his health. And the delay is causing additional inconvenience, for example preventing him from travelling abroad. To resolve his complaint Mr P would like esure to settle the claim and reimburse him costs he's incurred.

Our Investigator considered events up until the date of the final response in March 2023. He felt esure was responsible for some avoidable delay. He recommended it pay Mr P £500 compensation to recognise the distress and inconvenience that caused. But he wasn't persuaded, without that delay, his property would have sold for a higher amount. He felt esure should reimburse Mr P the costs of arranging for mitigation works – he felt they were necessary because of esure's slow progression of the claim and failure to provide adequate updates. It didn't accept that outcome. It felt £300 would be a fairer award of compensation.

As the complaint wasn't resolved it was passed to me to decide. In line with the Investigator I've considered events until around March 2023. If Mr P would like esure's handling of the claim, beyond that date, looked at he should raise a complaint with it first.]

## **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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr P and esure have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything provided.

I agree esure should reimburse Mr P the costs of mitigation work he paid for. This included removal of trees. An arboriculture report recommended the removal of various trees as subsidence mitigation. So it's reasonable that esure cover those costs if it hasn't already. There's been reference to esure offsetting those costs against the policy excess Mr P's required to pay. That would be fair, as long as Mr P isn't left out of pocket for the mitigation costs.

I agree with the Investigator that esure's responsible for avoidable delay. It accepts it took more than two months to review the site investigations. It has also noted, in a complaint

review, that around 11 weeks delay was caused by how long it took to deal with the schedule of works. And there seems to have been little progress with the claim in early 2023. esure also accepts it didn't do enough to keep Mr P updated.

I've considered the impact of this on Mr P. He planned to sell the property and move abroad. Unfortunately this has been delayed by his need to resolve the subsidence issue first. I can see that's been frustrating and inconvenient for him. He referred to this experience having a negative impact on his health. I agree esure, through its failure to handle the claim as efficiently as it could have, has lengthened the delay to him implementing his life plans. I agree with our Investigator that £500 is fair amount for esure to pay to recognise the impact of its mistakes.

In an esure complaint review, dated early April 2023, it suggested an award of £200 compensation for Mr P. That was for events I've considered in this complaint. Its not clear if the £200 was paid to him. If it was then esure can deduct it from the compensation I'm awarding in this final decision.

Mr P's complained if esure had handled the claim differently he would have sold his home by now – for a greater value than it will now realise. I'm not going to require esure to pay any financial loss for this.

There are too many variables involved for me to fairly say esure's responsible for a loss. Housing markets inevitably vary over time in response to different events. Even without any avoidable delay the claim would have taken a number of months to complete. The property, even if esure handled the claim perfectly, would still have a recent record of subsidence – something that may influence the demand for, and value, of the property. So it can't reasonably be determined when Mr P's property would have sold and for how much if it weren't for esure's inefficient claim handling.

It's not clear if esure's now settled the claim for repairs to Mr P's property. If it hasn't it should get on with providing a resolution that allows him to move forward with his life.

### **My final decision**

For the reasons given above, I require esure Insurance Limited to:

- pay Mr P £500 compensation (if it's already paid the £200 referred to above it can deduct that from the award) and
- reimburse him what he paid for mitigation works (it can if it wishes offset this against the policy excess). It should add simple interest at 8% to any amount paid – from the date Mr P paid the invoice to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 16 November 2023.

Daniel Martin  
**Ombudsman**