

The complaint

Mr G and Mrs J have complained about HDI Global Speciality SE, the insurer for their let property, regarding a subsidence claim.

What happened

Cracks were noted in the let property in 2020 and a claim was made to HDI in late summer. Loss adjusters were appointed and investigations were undertaken. A claim for subsidence was accepted, with certain nearby trees owned by the local authority identified as the likely cause of the movement. The trees were removed during 2021 and in August HDI was confident that would resolve the movement with the property likely stabilising within a few months. It continued to monitor the property to ensure that was the case and an appointment was arranged with contractors to plan repairs.

In October 2021, when the latest monitoring readings were reviewed, HDI noted that only some of the movement had been abated, that some of the property was still moving. A further tree report was obtained which recommended felling further trees. With the planned repairs having to be put on hold. HDI contacted the local authority again but by June 2022, with no sign the local authority was going to fell the further trees, HDI decided to move to providing an engineered solution to offer stability even though the trees remained.

Mr G and Mrs J were concerned though – they felt the original tree report must have been flawed to have not identified all of the trees which needed removal. They felt removal of all the trees near their property should have been recommended. That because that hadn't happened their claim had been delayed. Also, as 2023 began there was still not a start date for any work to be done and a need for surveying the drains had just arisen. Mr G and Mrs J complained to the Financial Ombudsman Service.

In June 2023 HDI issued a final response. It said there had been some delay because a second engineer's survey had been required and it apologised. HDI said the design phase was underway, it would do temporary repairs in the meantime, and advise further once able.

Mr G and Mrs J remained unhappy. Our Investigator considered their complaint. She felt HDI had acted reasonably regarding the trees. But felt it should have organised the drain survey sooner. Also that there'd been errors made in planning applications. All causing delays. She felt its level of communication had also been poor. She felt it should pay £500 compensation.

HDI agreed. Mr G and Mrs J did not. They felt £500 was unacceptable and unfair. They said the loss adjusters had deliberately delayed the claim. This had been very stressful with lots of inconvenience caused, for example, when there had to be a meeting with builders, only for that time to have been wasted because work had to be put on hold. But there were so many instances of delay and mishandling. They felt £500 was nothing in comparison, and would be immaterial to HDI. Overall they noted the claim had continued for three years whilst their policy kept renewing and still their property was not repaired. Their complaint was passed for an Ombudsman's consideration.

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.

Having done so, like our Investigator, I think HDI failed Mr G and Mrs J on this occasion. It's very clear to me this claim has gone on for longer than it should have done. But I think my view, and that of our Investigator, differs to Mr G and Mrs J's about where the failures were in respect of one key point, which is the trees.

Mr G and Mrs J think that all the trees should have been recommended for removal. But how trees affect properties is a very technical area – not least as there are a range of differences between tree species, including root spread, growth rate, how much and how they take water from the soil. As such, even if there are lots of trees near a property, an insurer will seek technical advice about removal – not least because taking too many or the wrong trees out could be very detrimental for the property. Further, where the policyholder does not own the trees, expert evidence is often required to convince third-party owners that their trees are causing damage. HDI instructed an expert here. It was reasonable for it to do so and it was also reasonable for it to have relied on the expert's advice regarding which trees it put forward to the local authority to remove. I haven't seen anything flawed in respect of the tree assessment or anything which I think might equate to a negligent consideration.

I note the recommended trees were removed relatively quickly by the local authority. Whilst they removed more elsewhere in the neighbourhood, I don't know why that was. The fact more were removed elsewhere doesn't mean HDI's approach, or the findings of its expert, regarding the trees affecting Mr G and Mrs J's property, were flawed. I note that once the initially recommended trees were removed HDI moved to arrange a schedule of works whilst also keeping monitoring for a time. I think that was a pragmatic and reasonable decision. Had the property stabilised that would, in theory, have avoided further delay. Unfortunately, here the further monitoring showed the property was still moving. I note HDI acted quickly at that time to get a further tree report and continue monitoring before reverting to the local authority to try and get further trees removed. I think that was reasonable.

Where I think HDI failed Mr G and Mrs J was that when it moved to resolving the movement with an engineered decision, errors were made with planning applications and a drain survey wasn't initially undertaken. I don't doubt that delayed things and was the main cause for no real progress being made with the repairs between June 2022 and June 2023. I accept that was very frustrating.

I'm also mindful that, throughout, the level of communication from HDI has been poor. It's often been left to Mr G and Mrs J to chase for updates. I accept that with the claim on-going, and concerns having been raised about HDI's actions regarding the trees, the general lack of communication was very worrying and upsetting. I accept that has caused a drain on family time as reported because more effort has had to be put into the claim than would have been needed if it had been managed more efficiently (avoiding delays) and effectively (with better communication).

This has clearly been very difficult for Mr G and Mrs J. I can quite understand why they think things have gone really wrong and the claim just hasn't progressed. I know that they feel there's likely been something deliberate behind all of that. But subsidence claims, particularly where long periods of monitoring are required, do tend to take longer to resolve than most property claims. And I can assure Mr G and Mrs J that I have seen nothing which makes me think HDI has acted deliberately to delay things. Importantly I have to separate the upset suffered because of the naturally on-going claim from that caused by what I accept to be failures of HDI. I then award compensation which takes into account our approach to

such awards and other awards made in similar circumstances. Taking all that into account, I'm satisfied that £500 compensation is fair and reasonable.

Putting things right

I require HDI to pay Mr G and Mrs J £500 compensation.

My final decision

I uphold this complaint. I require HDI Global Speciality SE to provide the redress set out above at "Putting things right".

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

Fiona Robinson
Ombudsman