

## **The complaint**

Mrs C complains about the way Allianz Insurance Plc has dealt with repairs following a subsidence claim on her home insurance policy.

## **What happened**

Mrs C made a subsidence claim on her policy in 2017. After a period of monitoring and discussions about the work needed to put things right, work was due to start in early 2020 but was put on hold due to covid-19 restrictions in place at the time.

Repair work started in December 2020 and was expected to take around four weeks. It was agreed that Mrs C and her husband would move out of their house into an annex while the work was done. They had been building the annex and Allianz agreed to pay £1,800 so they could complete the work and move into it.

In January 2021 Mrs C raised concerns about issues with the painting of the outside walls. The builders returned in February but there were delays due to bad weather and other issues. After further discussions and inspections the builders said the work had been completed in late April 2021 but Mrs C wasn't happy with the quality of the work. There followed correspondence about cracks in the walls and other issues.

In December 2021 Allianz said all the snagging issues were resolved but Mrs C disagreed. She said there were still problems with the work carried out.

Throughout this time Mrs C and her husband stayed in the annex.

There was further correspondence and in March 2022 Mrs C lodged a complaint.

A loss adjuster appointed by Allianz arranged a site visit in May 2022, after which a report was prepared setting out their view of the issues and a list work to be carried out. Allianz issued a final response to Mrs C's complaint saying it would put together a plan for the work to be done and offered compensation of £250 for the distress Mrs C had been caused.

Mrs C didn't accept the offer. She later referred the complaint to this Service, saying the offer didn't fully compensate her for all her losses. She said she was looking for:

- all the outstanding work to be completed properly;
- serious consideration given to replacing the doors and windows;
- payment for all the time living in the annex; and
- compensation for the cost of white goods which no longer worked.

Our investigator didn't think the complaint should be upheld. She explained that she was only looking at what had happened up to the date of the final response in May 2022, and if Mrs C was unhappy with what had happened after that date she would need to make a further complaint to Allianz.

The investigator thought Allianz' offer to put together a plan of work and pay compensation of £250 was a fair way to resolve this complaint.

Mrs C disagreed and requested an ombudsman's decision.

I issued a provisional decision saying I intended to uphold the complaint and direct Allianz to pay compensation of £750. I set out my reasons as follows:

*The relevant industry rules and guidance say insurers must deal with claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress; and not unreasonably reject a claim. They should settle claims promptly once settlement terms are agreed. I'd expect the settlement to put the customer, as far as possible, back in the position they were in before the loss or damage. Where repairs are being done, that means carrying out an effective and lasting repair.*

*The policy provides cover for subsidence claims and there's no dispute about the claim being covered. The issue is how Allianz dealt with the repairs.*

*In this complaint, I'm only considering what happened up to May 2022. I understand there have been further issues since then. If Mrs C refers a further complaint to this Service about what's happened since May 2022, we can consider that separately.*

*Looking at what happened between December 2020 and May 2022, Allianz didn't ensure the repairs were completed during that time. It has accepted that some of the repairs were of poor quality. And there was clearly some delay. The work was expected to take around four weeks but some 16 months later Mrs C was still in a position where work was needed to complete the repairs. Allianz had not by that point dealt with the claim in a reasonable time or provided an effective and lasting repair. Mrs C was not back in the position she should have been in.*

*Having said that, a site visit took place in May 2022 and in its response to this complaint Allianz said it would put together a plan for the outstanding work to be completed and made an offer of compensation. Although Mrs C was worried the schedule didn't include everything, Allianz asked the contractors to review her concerns and I think that was fair.*

*With regard to completing the work, I think that was a fair way to resolve things at that point. As I've said, if Mrs C has further concerns about what has happened since, she can make a fresh complaint about that.*

*I've thought carefully about the offer of compensation. Mrs C is seeking a more substantial payment. In particular, she says she should be compensated for having to stay in the annex throughout that time and for damage to white goods.*

*Mrs C says her dishwasher was damaged. From the evidence I've seen, I don't think she has shown Allianz is responsible for that. And I don't think Allianz should replace or repair white goods. Mrs C says when she tried to use these appliances again they wouldn't work, due to having been left unused for that time. But I'm satisfied Mrs C could have moved back into the property whilst waiting for the further work to be completed. The plan was for Mrs C to move into the annex while the work was carried out and then return to the house. Even if there were issues to be dealt with, they didn't leave the house uninhabitable; she could have moved back and then, if necessary, move out again for a short period while any further works are done.*

*Mrs C also says her dog dirtied her carpet and soft furnishings in the annex due to having some digestive problems. She wants Allianz to replace her carpet, but Allianz says it wasn't responsible for the damage and I agree.*

*Despite those points, I do think the compensation offer to Mrs C should be increased. She*

*expected to be out of her house for around four weeks and then return to her home with all the work completed. That didn't happen and 16 months later she was in a position where work still needed to be done. Allianz wasn't responsible for all of the delay and did take steps to review the works, appointing loss adjusters to carry out further inspections and then agreeing to carry out further work. But even taking that into account I don't think it was reasonable that by May 2022 the work had not been completed. This was all distressing for Mrs C and she was put to considerable inconvenience during that time.*

*Taking all of this into account I consider the compensation should be increased to £750. I appreciate this doesn't cover all of the things Mrs C has asked to be compensated for but I've explained why I don't think Allianz should cover all of those. In the circumstances I consider a payment of £750 to be fair.*

### **Replies to the provisional decision**

Allianz has replied confirming it accepts the provisional decision.

Mrs C has also replied, saying she would like to comment that:

- the work is still not complete – the second builders instructed to complete the work left site with things still unfinished;
- it's now been 35 months and she hasn't been fully recompensed for everything;
- she has made a further complaint to Allianz and is waiting for a response to that.

### **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.

Although Mrs C has commented on the current position, that isn't something I can comment on as I'm only able to consider what happened up to May 2022. I note that she has made a further complaint and any concerns about what's happened more recently can be looked at in that complaint.

As far as this complaint is concerned, I haven't been given any further information that would lead me to change my provisional decision. So it remains my view that a fair way to resolve this complaint is for Allianz to pay compensation of £750 for the distress and inconvenience caused to Mrs C by the delays up to May 2022.

### **My final decision**

I uphold the complaint and direct Allianz Insurance Plc to pay compensation to Mrs C of £750.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 12 December 2023.

Peter Whiteley  
**Ombudsman**