

## **The complaint**

Mrs B and Mr B complain about Ageas Insurance Limited's decision to decline a claim made under their home insurance policy and about delays in the handling of the claim.

## **What happened**

The background to this complaint is well known to both parties, so I'll provide only a brief summary here.

Mrs B and Mr B have a home insurance policy, which covers their home and its contents. They made a claim in July 2022 after noticing damage to their garage.

Ageas appointed loss adjusters to assess the claim. They visited Mrs B and Mr B in August 2022. They then commissioned further site investigations – which were carried out in November 2022.

Mrs B and Mr B still hadn't had Ageas' decision on the claim by June 2023 and so they made a complaint to Ageas.

Ageas final response to that complaint – in August 2023 – explained that the delays were due to complexities in the claim.

Ageas said they'd had to look into a previous claim relating to the garage, made in 2014, to a previous insurer.

They'd then had to consider whether Mrs B and Mr B had fully disclosed details of that claim when they bought their policy with Ageas.

And they'd had to carry out investigations to establish what the design and build of the garage was and why the damage was occurring.

They also confirmed that they would be declining the claim. Their reasons appear to have been that the design was faulty and that the previous insurers hadn't dealt with the (already existing) issues in 2014.

In the meantime, Mrs B and Mr B had brought their complaint to us. They were unhappy with the delays in Ageas coming to a decision on the claim – and with the decision to decline it.

Our investigator looked into it and thought the decision to decline the claim was justifiable on the basis that the garage was poorly designed.

But she thought the delays weren't justifiable. And nor was Ageas' failure to explain the position to Mrs B and Mr B, so that they might decide whether – and how – to ask their previous insurer to look into things again.

For that reason, she said Ageas should pay Mrs B and Mr B £800 in compensation for the trouble and upset they'd experienced as a result of Ageas' errors and omissions.

Mrs B and Mr B accepted our investigator's view, but Ageas did not. They thought the level of compensation suggested wasn't justified given the complexities of the claim. And they asked for a final decision from an ombudsman.

### **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.

#### *The decision to decline the claim*

Mrs B and Mr B accepted our investigator's view that the claim was fairly and reasonably declined. However, I'm going to offer some comments on Ageas' claim decision.

Ageas have told us that the claim was declined for two reasons. One, because the design of the garage was defective. And two, because it was for the previous insurer to deal with the issues with the garage in 2014.

As regards the design, they say the garage was built on a concrete base only around 400mm thick. Given the type of soil and surrounding vegetation, foundations should be much deeper than that.

I think that's a very debatable reason to decline the claim. The garage was built in 1973. For one thing, the building regulations and design specifications in those days were very different from those being quoted by Ageas now. For another, the garage stood – and performed its function – for more than 40 years before any issues were noticed (in 2014).

As regards the previous insurer, it's debatable whether the issues now – which everyone agrees are caused by subsidence – were the same issues manifest in 2014. Expert reports commissioned by the previous insurer said the issue was *not* subsidence.

Mrs B and Mr B have been insured with Ageas for much more than a year. The Association of British Insurers (ABI) code relating to subsidence claims says that if a customer has been with a second insurer for more than a year, that insurer should take responsibility for a subsidence claim – even if it's possible the issues began earlier.

I won't go into great detail about these two points of debate – there are a number of complex arguments and counter-arguments that could be made. It's not necessary to do so, because it's also clear that Mrs B and Mr B's policy says that Ageas will not cover subsidence damage to outbuildings unless the main part of the property (Mrs B and Mr B's house, in this case) is affected by the same issues at the same time.

Mrs B and Mr B's garage is very separate from their house. And their house has not had any subsidence issues. So, the damage isn't covered.

Before I wrote this decision, we contacted Mrs B and Mr B to tell them why we thought they definitely weren't covered by the policy in this case.

This was so that Mrs B and Mr B wouldn't be surprised by what I'm saying in this decision – and to give them a chance to comment on my reasoning. They confirmed they had nothing to add, and they understood the position.

#### *The delays, confusion and poor service*

Mrs B and Mr B were left without a decision on their claim – or a plan as to how to progress

it – for more than a year.

Ageas say that was justifiable because of the previous claim, the questions around disclosure at inception and the complexity of the questions around the design of the garage and the causes of the damage.

I'm sorry, but I don't accept that at all. I'll explain why.

Citing the need to find out what Mrs B and Mr B had said about the 2014 claim when they bought their Ageas policy as a reason contributing to a year's delay is nonsense.

Ageas had only to look at their own records to see that Mrs B and Mr B had in fact disclosed the 2014 claim when they bought the policy. If finding and looking at those records took more than a week – much less any substantial part of a year - then it was done very inefficiently.

Ageas couldn't find any detail on the previous claim on the Claims and Underwriting Exchange (CUE) database. So, they needed to make further enquiries.

Those enquires – with which Ageas were ultimately satisfied – consisted of asking Mrs B and Mr B about the 2014 claim. Checking the CUE database, then asking Mrs B and Mr B about the 2014 claim would take a few weeks at most. Again, that shouldn't be any sort of reasons for a delay of a year or more to come to a decision about the claim

The claim itself was complex, as Ageas say. Assuming they hadn't wanted to rely initially on the exclusion relating to outbuildings – or had needed to wait to see if the cause of the damage was in fact subsidence before they did so – then it was reasonable to commission further expert inspections. But these should have been – and appear to have been - complete at the latest by the end of 2022.

Close inspection of Ageas' own claim notes and records after that point shows a confused series of communications between Ageas themselves and the loss adjuster. During that rather long set of communications, no-one appears to get a grip on the issues in the case or show any urgency about resolving the claim.

And during that time, Mrs B tells us she contacted Ageas and/or the loss adjuster on several different occasions to try to find out what was happening with the claim. On every occasion, she was told the contact for her case wasn't available – and no-one then took the initiative to call her back or get in touch with her.

So, in effect, Mrs B and Mr B were left with no clue as to how the claim was progressing – never mind what the claim decision was – until more than a year after they first made the claim.

That's unacceptably poor customer service, particularly when you bear in mind that Mrs B and Mr B may want to go back to their previous insurer to raise questions about whether the 2014 claim was properly settled.

All of that must have been extremely stressful and frustrating for Mrs B and Mr B. They were clearly and justifiably concerned about the garage. They were made to chase Ageas and/or their agents for any information about the claim – most often with no results – which would have been annoying and inconvenient.

And Mrs B and Mr B were ultimately disappointed in the expectations they may legitimately have had given that Ageas had been considering the claim for so long.

### **Putting things right**

Given the extent of the stress, inconvenience and frustration experienced by Mrs B and Mr B – over an unnecessarily prolonged period – I agree with our investigator that £800 is fair and reasonable compensation for their trouble and upset.

For the reasons set out above though, I won't be asking Ageas to either settle the claim or re-consider it. Their decision to decline the claim is justifiable taking into account the policy terms and conditions, as we've explained to Mrs B and Mr B.

### **My final decision**

For the reasons set out above, I uphold Mrs B and Mr B's complaint in part.

Ageas Insurance Limited must pay Mrs B and Mr B £800 in compensation for their trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 5 January 2024.

Neil Marshall  
**Ombudsman**