

The complaint

Mr and Mrs C have complained about U K Insurance Limited (UKI). They are not happy about the way it dealt with a subsidence claim over a number of years under their home insurance policy.

For ease of reading any reference to UKI includes its agents and I've mainly referred to Mr and Mrs C in this decision as opposed to their representative.

What happened

Mr and Mrs C have been suffering with a subsidence problem in relation to their conservatory for a number of years. It was initially believed that the sole cause of their subsidence problem was a burst water main away from their property that was repaired by their water company, and they advanced a claim through UKI. Repairs were undertaken initially and then a secondary problem was identified following further cracking to their property. It was identified that there was a problem in relation to sewage pipes that ran under their conservatory which their water company was responsible for. And as Mr and Mrs C weren't happy with the way UKI dealt with the claim highlighting delays, poor workmanship, and poor communication throughout. They complained to UKI and then this Service about this as they want the claim finalised, repairs completed and compensation.

Our investigator looked into things for Mr and Mrs C and partly upheld their complaint. He explained that it wasn't for this Service to decide how the claim should be settled as that was a matter for the insurer. But we do look at whether UKI reached fair and reasonable decisions based on the available information. And he highlighted that he would consider any avoidable delays caused by UKI.

He concluded that -

- UKI had followed the correct process in advancing the second part of the claim which was ultimately affected by the involvement of a water company who was responsible for putting right some of the damage that contributed to the subsidence problem,
- UKI was partly responsible for some of the delays around 2020/21 and the poor workmanship in relation to the first part of the claim and that it should pay compensation for this,
- although UKI's communication and correspondence got better throughout the claim our investigator thought it should have done better initially and awarded £850 by way of compensation for the delays, poor communication and poor workmanship identified during the first repair process. And suggested UKI continued to work towards resolving the claim.

UKI accepted the investigator's position but as Mr and Mrs C didn't agree the matter has been passed to me for review.

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 I think the complaint should be partly upheld. I know this will come as a disappointment to Mr and Mrs C, who simply want their claim finalised, but I'll explain why.

I think it's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said in this decision it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint.

This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint. And I note Mr and Mrs C have raised further concerns in relation to their claim, which unfortunately is ongoing, but I can't consider these under this complaint. I understand that Mr and Mrs C have raised these points separately with UKI and it has to have the opportunity to consider these issues in the first instance.

It is clear that Mr and Mrs C's claim is far from straightforward and has been impacted upon by a number of factors and delays over a number of years. I know this must be extremely upsetting and worrying but a lot of the problems, difficulties and worry stems from the difficult nature of their claim as opposed to UKI's failings – although I agree that Mr and Mrs C should be compensated for some of the delay, poor service, and poor workmanship UKI contributed to during the early stages of the claim.

I'll focus on the key issues as outlined by the investigator in looking at whether UKI followed the correct processes to progress the claim using all the available information I think is pertinent here. There are two aspects of the claim that can be considered as part of this complaint, and I agree that UKI didn't deal with the initial repair very well.

This claim began in 2020 when damage was found to Mr and Mrs C's conservatory (the first part of the claim). The damage was reported, a loss assessor confirmed subsidence and a period of monitoring began. And by the end of December 2020, the monitoring showed that the ground was stable enough for repairs to be carried out. It has been agreed by both sides that the repairs weren't undertaken very well, there were delays and the work wasn't to the required standard. When rectification work was started they were not completed as it was noticed that further cracking had occurred in the conservatory.

A further program of work was undertaken to rectify further subsidence identified (the second part of the claim) and Mr and Mrs C raised further questions around whether the repair would be possible and effective. At this stage UKI was satisfied that it would be and relied on a report from the water company as well in forming this view.

Unfortunately, when the work was due to begin, the site was dug out, but it became clear that the damage was worse than thought and the proposed rectification work wouldn't be adequate. I agree with our investigator that up until this stage it would be difficult for UKI to know that the intended plan of action to repair wouldn't work and I can't hold UKI responsible for the work not going ahead.

Following a further period of investigation, it became clear that the drain which ran beneath the conservatory was very badly damaged and needed to be replaced. The water company agreed it was responsible for the drain repair and thought the easiest way to undertake repairs was to take down the conservatory, undertake the necessary repairs and then reinstall the conservatory. I understand that the water company was the driver behind this plan of action and had involved its own legal department in advancing matters. UKI had not

said that this was the only way to stop the subsidence, but it agreed to the suggestion and to contribute to the costs.

Unfortunately, there was a difference in opinion about the cost of taking down and reinstalling the conservatory. The water company thought UKI should undertake the process in full and pay for it, while UKI thought it would be reasonable for it to contribute to the cost. No agreement could be reached at this point and Mr and Mrs C complained to this Service.

In looking at this complaint up until this stage and the time scale that I can consider as part of this complaint I agree with the position advanced by our investigator. The early stages of the complaint could have been dealt with better and there were delays at times in advancing the claim. But once the further issues were identified with the drains under the conservatory UKI appears to have advanced things in a reasonable manner. Subsidence claims like this can be drawn out and difficult to advance, especially when the water company is responsible for the drains under the conservatory as in this instance.

I know Mr and Mrs C aren't interested in compensation and just want their claim advanced and finalised as quickly as possible and for UKI and the water company to work together to achieve this goal, which is understandable. But I can't influence the water company's actions, just UKI's, and I think it has acted fairly here given the difficulties faced with this claim up until the point Mr and Mrs C complained to this Service. I make no comment about anything after this which is being considered separately. But up until this stage UKI was simply trying to ensure a lasting and effective repair and it isn't responsible for the drains here as they aren't inside the home and the water company is responsible for them. I understand UKI was looking at what could be done about this when the complaint was brought to this Service and looking at alternative resolutions which isn't unreasonable, although time consuming.

So overall, I agree that UKI has acted reasonably in handling the secondary aspect of the claim. I don't think UKI has done anything wrong, especially as a subsidence claim like this is, by its very nature, complex and often takes a lot longer to resolve given the various steps and complications involved. Although I accept that the delay in finalising this has clearly impacted Mr and Mrs C I can't hold UKI responsible for things that are outside its control.

Turning back to the early part of the claim and having reviewed the notes and correspondence I agree that there have been times when UKI should have done more to get the repairs done and ensured the claim was on track. But this is in relation to the first part of the claim before the secondary cracks appeared. The repairs weren't to the required standard and UKI had to arrange for these repairs to be corrected.

As such, I agree with our investigator that UKI are responsible for the delays initially in putting Mr and Mrs C's property back to its original position due partly to poor workmanship. And so, I agree that Mr and Mrs C should be compensated for the delays and poor workmanship during the early stages of the claim (2020/2021), and I feel the £850 suggested by our investigator, and accepted by UKI, for the clear stress, inconvenience and great deal of worry caused feels fair.

My final decision

It follows, for the reasons given above, that I partly uphold this complaint. I require U K Insurance Limited to pay Mr and Mrs C £850 compensation and to continue to work towards solving the subsidence issue.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 14 March 2024.

Colin Keegan
Ombudsman