

## The complaint

Mr A complains about Fairmead Insurance Limited's handling of a subsidence claim made under his buildings insurance policy.

Any reference to Fairmead includes the actions of its agents.

## What happened

Mr A holds buildings insurance cover with Fairmead. He noticed cracking to the garage and kitchen and made a subsidence claim, which Fairmead accepted. Initially, Fairmead thought the cause of the subsidence was due to nearby trees causing shrinkage of clay soils, but later thought that the drainage system was in poor condition. It therefore concluded that the damage had occurred due to an escape of water from the drains.

Fairmead carried out repairs to the drainage system in 2021, and also repaired the cracks to the exterior of the property.

In 2022, Mr A notified Fairmead that the cracks had reappeared. Fairmead offered to undertake a period of monitoring to confirm that the property was stable. Unhappy with this, Mr A brought a complaint to the Financial Ombudsman Service.

Our investigator ultimately recommended the complaint be upheld. Although Fairmead had found the drains were in poor condition, she noted it was also thought that nearby trees could be contributing to the movement. As no action had been taken in respect of the trees, she thought Fairmead should have carried out further monitoring to establish whether there was still movement. She recommended Fairmead pay Mr A £150 compensation for its handling of the claim. She also thought it should carry out any temporary repairs that were necessary.

I issued a provisional decision on 12 February 2024. Here's what I said:

*'Mr A says the cracks have reopened, despite the drain repairs. Given that nearby trees were initially thought to be the cause of the subsidence, it may be that these are continuing to impact the property. Fairmead has offered to carry out monitoring to establish whether there is further movement, and I agree it should do so. If there is progressive movement, then Fairmead should undertake further investigations so it can provide an effective and lasting repair. If the property is stable, it should provide Mr A with a certificate of structural adequacy.*

*Although I've found it was reasonable for Fairmead to offer to carry out monitoring, I think this should have been done once the drainage repairs were completed, and before the repairs to the cracks were carried out. Particularly as Fairmead was aware there could be another potential cause of the subsidence.*

*There's been a significant delay since the drain repairs were completed in 2021. I think Mr A has been caused distress and inconvenience as a result of Fairmead failing to check the movement had stopped when it ought to have done. Though I've taken into account that*

*Fairmead did offer to carry out monitoring in October 2022. I intend to award Mr A £350 compensation for this.*

*Mr A wants Fairmead to pay a cash settlement so that he can arrange for another contractor to investigate and solve the problem. However, given that we don't yet know if there is ongoing movement due to subsidence, it wouldn't be appropriate to ask Fairmead to consider a cash settlement at this point.*

*Mr A says there's a report from November 2022 from the contractor that Fairmead hasn't provided him with. He should raise his concerns with Fairmead about this in the first instance.'*

I asked both parties for any further comments they wished to make before I made a final decision.

Mr A responded to confirm he accepted my provisional decision.

Fairmead responded to confirm it would comply with my findings.

### **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 both parties have accepted my provisional findings, I see no reason to depart from these. So I've reached the same conclusions, and for the same reasons.

### **My final decision**

My final decision is that I uphold this complaint. I require Fairmead Insurance Limited to do the following:

- Carry out a period of monitoring (if Mr A allows this) to establish if subsidence is ongoing, and then consider whether further work is needed to provide an effecting and lasting repair. If the property is stable, it should provide Mr A with a certificate of structural adequacy.
- Pay Mr A £350 compensation.\*

\*Fairmead must pay the compensation within 28 days of the date on which we tell it Mr A accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 March 2024.

Chantelle Hurn-Ryan  
**Ombudsman**