

## **The complaint**

Mr and Mrs D complain about the way Ageas Insurance Limited has handled a claim they've made on their building insurance policy following subsidence at their home.

## **What happened**

For ease of reading, I'll refer to Mr D throughout this complaint although acknowledge the complaint is brought by both Mr and Mrs D. They are represented by a third party in bringing this complaint. References I make to Mr D's actions include those of his wife and representative.

Ageas is the underwriter of the policy, i.e. it's the insurer. Part of this complaint concerns the actions of its agents for which Ageas has accepted responsibility. Any reference to Ageas includes the actions of its agents.

The background to this complaint is well known to the parties and has been previously documented by our Investigator so I have provided a summary here.

- Mr D owns a property insured under a buildings insurance policy underwritten by Ageas. The property experienced subsidence. Mr D reported this to Ageas, it accepted the claim and appointed an expert to deal with it. Ageas proposed repairs but Mr D didn't think they were an appropriate way of dealing with the subsidence which he explained was based on the views of a surveyor he knows.
- Mr D said that further damage had appeared after the work was completed and he let Ageas know this. Ageas reattended the property and Mr D says further investigations and monitoring were agreed as there was a concern the piling scheme had failed.
- Mr D complained to Ageas about its claims handling, including poor communication, lack of professionalism, changes to the piling scheme, the lack of work and responsibility taken and the provision of an incorrect schedule of works
- Ageas issued a final response in which it explained why there was changes to the piling scheme and agreed a site visit to discuss the remaining schedule of works. It didn't think the claim had been going on for a concerning amount of time. It said a 10-year guarantee for the works was standard and wouldn't be extended or transferred to any potential purchasers of the property. It agreed a compensation payment of £200 for an incorrect schedule of works being sent.
- Subsequent to this, in September 2023, Mr D appointed a firm of structural engineers to consider the subsidence damage and the claim as he'd heard nothing more from Ageas regarding the groundworks. The report it produced concluded monitoring should have been undertaken to establish whether there was progressive movement and further investigation to establish the cause of the subsidence. It said the piling scheme wasn't appropriate and if the further investigations showed there was progressive movement than a scheme of full underpinning would be required.

- Mr D raised a complaint with this Service. Our investigator upheld the complaint and said Ageas should undertake a further site visit with Mr D's expert to establish if stability had actually been achieved and therefore whether Ageas' stabilisation works had been successful. If not, then Ageas would need to install full underpinning in line with Mr D's expert opinion. And he awarded a total of £500 compensation for the impact of Ageas' poor claims handling on Mr D.
- Mr D accepted the recommendations. Ageas reiterated it thought its work had been undertaken correctly and confirmed it was arranging a site visit to establish stability as requested. It confirmed it had made a compensation payment of £200 to Mr D but this had been returned.
- The complaint has come to me for an Ombudsman's decision.

### **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.

This complaint focuses on Ageas' actions until it issued its final response in July 2023. That said, our Investigator explained he had also taken into consideration the expert report provided by Mr D in September 2023 as it was relevant to the original complaint and Ageas seems to have accepted this is appropriate. So my decision will also include consideration of Ageas' actions up to this point too. For other issues that have happened since then, Mr D may wish to make a further complaint to Ageas as it will need to issue a response on these before we get involved.

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 also settle claims promptly once settlement terms are agreed. I'll be keeping this in mind while considering this complaint together with what I consider to be fair and reasonable.

#### *Stability of the property and the engineering solution*

Ageas is under an obligation to ensure any repairs it undertakes are effective and lasting. In this case, Mr D says damage has continued to develop and worsen since Ageas undertook the piling scheme.

The key question here is whether Ageas' approach to dealing with the subsidence has achieved stability and whether it will allow an effective and lasting repair. So, that is what I will be considering.

I have carefully considered all the evidence I have been given. Each side has presented professional opinions from suitably qualified experts but they disagree about the correct approach to address the subsidence damage.

When considering the appropriate approach, Ageas's expert said traditional underpinning was not feasible due to the location of the property close to a nearby river, the make-up of the soil in the area and the limited access available for appropriate machinery to access the site. Instead, it said a screw pile option to the right-hand gable wall was more appropriate for this particular site and it provided details of how this would be implemented. I do note though there were some subsequent changes to the original plans when the work was actually undertaken, with less piles installed but at a deeper depth. Ageas maintains that it has done

what it needs to provide indemnity under the policy unless there has been any significant change in the property's condition.

Mr D's expert said there had been no monitoring of the property following the discovery of the subsidence and this isn't disputed by Ageas. The report said while there didn't seem to have been progressive subsidence damage, there may have been some lateral movement where the tie at the first-floor level appeared to have been lost. There were also other signs of ground subsidence at the property. It said the piling solution employed by Ageas wasn't structurally sound and the correct approach should have been to undertake monitoring to establish if there was progressive movement and to carry out further investigations to establish the cause of the subsidence.

Mr D's expert said if the monitoring indicated the property had experienced a one-off incidence of subsidence then it may be appropriate to proceed to carry out superstructure repairs only. But if it indicated there was progressive movement, then a scheme of full underpinning would be necessary.

I have kept in mind here, Mr D's expert has had previous dealings with the property and previously provided advice in 2014 on a previous subsidence claim. So, both the property and its location are well known to him.

I have considered the evidence provided by the experts very carefully and having done so, I'm more persuaded by the very detailed report from Mr D's expert and his previous experience of the locality and Mr D's property. This coupled with Mr D's testimony that further damage has appeared and/or worsened since the installation of the piling scheme means I'm not satisfied Ageas has conclusively shown its work has achieved stability of the property nor that its repair will be effective and lasting. I'm satisfied it needs to do more here and I have detailed this below under the "*Putting things right*" section.

#### *Other claim related issues*

There have been a number of claims related issues which have caused Mr D distress and inconvenience during the life of this claim. These have included, but are not limited to, the provision of an incorrect schedule of works, which Ageas has since acknowledged and accepted; incorrect information being included in schedules of work; Mr D being asked to sign off on works without being provided with all the salient information to reasonably do so and the lack of formal notification before attending Mr D's property.

I've kept all this in mind together with the time the claim has taken when considering the award I'm recommending.

#### *Ongoing issues*

The claim has continued subsequent to the period of time under review in this complaint and Mr D continues to be unhappy with Ageas' actions. As I explained previously, Mr D can make another complaint to Ageas about these issues and, if he's unhappy with its response, then he can ask this Service to consider these new concerns under a new complaint.

### **Putting things right**

#### *Next steps*

Ageas should take appropriate steps – which may include site visits and monitoring which has already been discussed between parties - in conjunction with Mr D's expert, to establish if stability of the property has been achieved by its piling scheme. If this establishes stability

has been achieved then it would seem the piling scheme has more likely than not been successful and Ageas should proceed with the rest of the repairs and remedial work. But if stability *hasn't* been achieved, then I would expect Ageas to consider other engineering solutions - including full underpinning of the property in line with Mr D's expert opinion – which will enable it to complete a repair which is effective and lasting.

I would expect Ageas to proceed at pace with the next steps, explaining clearly what they are and the timescales involved. I would also expect it to keep in mind Mr and Mrs D's vulnerability and poor health throughout the remainder of the claim.

### *Distress and inconvenience*

I have to keep in mind that subsidence, by its nature, is often very stressful for homeowners to deal with and I can't hold Ageas responsible for this. But I can consider whether its handling of the claim related to it has made things more difficult for Mr D.

Mr D's representative has explained that both Mr and Mrs D are vulnerable and their already poor health has been made worse throughout the claim. It's clear from the evidence I have been given to consider that they have found the claim very stressful to deal with and Ageas has accepted its claims handling has contributed to this. I have kept this in mind when considering the award I am recommending. I agree with our Investigator's recommendation Ageas should pay Mr D £500 for the distress and inconvenience it caused.

I also think Ageas should reimburse Mr D for the expert report he had undertaken. Ageas has already agreed to these recommendations previously put forward by our Investigator.

Mr D has confirmed he has received £1,111 from Ageas although he says there was no explanation about what this was for. It seems likely to me this payment was to cover these two amounts including interest but I have still included this in my direction in case this payment is unrelated to the complaint.

### **My final decision**

My final decision is that I uphold this complaint and direct Ageas Insurance Limited to:

- In conjunction with Mr D's expert, establish if stability of the property has been achieved. Depending on the outcome of this, then Ageas should take the next steps I've detailed above and agree the way forward with Mr D and his expert.
- Pay Mr and Mrs D a total of £500 for the impact of its poor claims handling, if it hasn't done so already.
- And, if it hasn't done so already, reimburse Mr and Mrs D the £600 cost of obtaining the report from his expert together with interest at 8% from the date they paid it to the date Ageas Insurance Limited reimburses them on provision of substantiating evidence to show when it was paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 16 August 2024.

Paul Phillips  
**Ombudsman**