

The complaint

Mr C complained that Fairmead Insurance Limited were unfair in their handling of a claim he made for damage caused to his property – the claim related to subsidence.

What happened

Mr C had home insurance with Fairmead and made the aforementioned claim. Mr C was dissatisfied with the way the claim was being handled and complained to Fairmead before referring the matter to our service under a previous case.

Briefly, an ombudsman here said Fairmead ought to carry out further investigations and monitoring and cover the cost of some professional fees. The ombudsman also said £500 compensation should be paid to Mr C.

Fairmead accepted the ombudsman's recommendations.

I'm unable to revisit what happened in the previous case, because that has been dealt with already. So, my focus is on what happened more recently and up until we took this case on.

Fairmead acknowledged there were avoidable delays in the more recent handling of Mr C's subsidence claim, although they eventually said they would accept the claim.

Fairmead also offered £500 compensation to Mr C. He didn't think that was adequate and as agreement couldn't be reached the case was considered by one of our investigators.

In summary, the investigator concluded that £500 was insufficient and so recommended an additional £250. They also recommended Fairmead review further professional fees that Mr C had incurred and confirm how much they would contribute toward them. Fairmead initially agreed to contribute £1,000 to those fees (later increased to £1,200).

Mr C didn't consider the outcome provided by the investigator was adequate. In conclusion, he summarised his concerns with Fairmead's handling of his claim and said further payment of professional fees and other costs should be covered by them.

Mr C requested an ombudsman review and so the case was passed to me to decide.

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.

I would like to be clear in reiterating to Mr C that we may not address each and every point or concern raised. That's not to say they haven't been considered, it just reflects the informal nature of our service – when compared to the courts. I note Mr C has referred to seeking legal advice, if he thinks he may be better off pursuing Fairmead through legal channels then that would be outside of what we can help with as a service.

Turning to Mr C's concerns about Fairmead, I am afraid my decision is likely to disappoint Mr C. I am well aware this has been a long and drawn-out process and as far as I can see this is an important matter for him, not least because it involves his home.

However, as we have previously explained to Mr C, there are some limitations in what we can do. A case about the earlier consideration of the claim has already been decided by an ombudsman and so cannot be revisited. Mr C didn't accept the outcome reached in that case, but Fairmead agreed to honour the ombudsman's decision nonetheless.

The concerns I have considered though remain limited to what has happened since then and effectively up to the point Fairmead agreed to consider the claim and pay further compensation – we aren't here to act as claims handlers or intervene at each and every stage dissatisfaction occurs. Following Fairmead's further consideration of Mr C's claim, they have agreed to accept it.

They have acknowledged the handling of the matter since Mr C's previous case should have been better than it was, and as a result, Fairmead have offered Mr C a further £750 compensation and £1,200 toward his professional fees. My role here, is to consider whether that's suitable.

I consider the compensation element, for distress and inconvenience caused – since the previous case – to be reasonable. Mr C has presented his frustrations very clearly and has provided evidence that communication hasn't been to the standard expected. I understand how unhelpful that can be, but things can go wrong and we're not here to punish businesses.

The compensation, in my view, is reflective of our approach to such matters as the one at hand. I also observe that subsidence claims tend to take a long time. That, in itself, isn't a reason for me to award further compensation, even though I agree there have been avoidable delays in this case. So, overall, £750 is reasonable based on what I've seen.

Furthermore, it seems to me that Mr C's overarching aim, at the point our involvement ended on the previous case, was for his claim to be accepted – which is what's happened.

The professional fees Mr C presented to us, that he would like reimbursed, amounted to around £3,000. Some of these relate to the period after Fairmead accepted the claim and could be deemed to have been unnecessary because – at that point – it would generally be for the insurer to handle matters moving forward.

I appreciate Mr C's overall experience likely led him to feel he had to continue engaging his own people, but I don't necessarily agree it to have been required in this case. That said, it seems to me Fairmead agreed that some of them were reasonably incurred in the interests of advancing the claim, and so they've made an offer to cover the sum of £1,200.

That doesn't seem unreasonable to me. As explained earlier, there can be difficulties with insurance claims which take a long time to deal with. But, once the claim was accepted, I think it would be reasonable to expect it to be dealt with competently since Fairmead will, as is standard in the industry, employ their own professionals to bring everything to a suitable, fair and reasonable conclusion.

There is seldom need for a tandem approach where both of the parties employ people, because that is usually the responsibility of the insurer as part of the claim process. I also understand Mr C remains concerned about matters dating back many years, but things have moved on – with the claim acceptance. That's what's important in my mind, the claim being brought to a successful conclusion being the next step now.

While I understand why Mr C would like everything tied up in one go, that can seldom happen in cases such as this. It may well be that once repairs begin, or once they're completed, Mr C remains dissatisfied with their quality, effectiveness or lasting nature. If that happens, he may wish to raise such discontent with Fairmead in the first instance, and if they're unable to satisfy him then he may be able to return to our service for a further review of Fairmead's conduct in respect of that.

To that end, it's clear that Mr C has already complained about what has happened since the claim was accepted, including the work required to indemnify him. I don't consider that to be within the scope of this case.

For the period of time I have reviewed, I consider Fairmead to have made reasonable attempts to compensate Mr C. Given I understand the sums offered have not been paid, as yet, I am required to uphold Mr C's complaint so as he can choose whether or not to accept the outcome below. He needn't accept it if he would prefer to seek redress from Fairmead through the courts but, if he does accept my decision, it will become binding and that may limit his options.

While I accept this is unlikely to be what Mr C wanted, I have to take account that the claim has been accepted and that means steps are being made to resolve the underlying insurance claim. Reasonable redress has been offered for the shortcomings relating to this case and if Mr C's latest concerns aren't resolved then he may be able to pursue those separately if he thinks Fairmead's handling of the now accepted claim is inadequate.

My final decision

It is my final decision that I uphold this complaint. I require Fairmead Insurance Limited to pay Mr C the sum of £750 compensation as well as the reimbursement of £1,200 incurred in professional fees.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 October 2024.

Will Weston
Ombudsman