

## **The complaint**

The estate of Mrs B complains about Fairmead Insurance Limited's handling of their buildings insurance claim.

Mr B has brought the complaint on behalf of the estate of Mrs B, so I will refer to him where relevant below.

All references to Fairmead also include its appointed agents.

## **What happened**

The details of the complaint are well known to both parties, so I won't repeat them in detail here. The following is a summary of the events that led to this complaint.

- A claim was raised in October 2020 due to subsidence occurring at the property.
- Investigations carried out by Fairmead established the cause of the subsidence and the property was stabilised by around September 2022, which meant repair work could proceed.
- Fairmead instructed its loss adjusters to draw up a schedule of work ("SOW") for the repairs, however there have been delays in doing so – and a SOW has not been provided.
- In addition, while asbestos testing was being carried out by Fairmead at the property, it identified signs of water ingress entering the property via a chimney breast, which it said was caused by the subsidence.
- Mr B requested a cash settlement so he could have the works completed by a local and trusted contractor. He submitted a quote to Fairmead, but this was rejected.
- Mr B has also said that Fairmead have declined to include the damage to the chimney breast as part of the claim.
- Mr B was unhappy with the service provided by Fairmead and the time taken to progress the claim. He raised two complaints which Fairmead provided final responses to in August and December 2023.
- In its final responses Fairmead acknowledged it had caused delays in progressing the claim – and that a SOW was still waiting to be finalised as of December 2023. In recognition of this, Fairmead offered the estate of Mrs B a total of £550 compensation.
- Mr B brought the complaint to our service. He felt Fairmead should pay the costs submitted via his contractor for reinstatement and that he should be compensated for the distress and inconvenience he has been caused by Fairmead's handling of the claim.
- Mr B also raised that when stabilisation works were completed, they were guaranteed for 20 years. Due to the delays with repair works this period has now reduced and Mr B is concerned this may lower the property's marketable value.

## *Our Investigator's view*

Our Investigator recommended the complaint be upheld. He said on the evidence available the damage caused to the chimney breast is a consequence of the subsidence, so he felt it reasonable that Fairmead should include this in its settlement.

He said considering the time taken to progress the claim, he was persuaded that cash settling the claim at the costs put forward by Mr B was reasonable, so Fairmead should pay these costs. He also said he hadn't seen any evidence that the estate of Mrs B has suffered a financial loss as a result of the reduction of the stabilisation guarantee period. So he wouldn't be asking Fairmead to pay toward this.

Regarding compensation, our investigator said as Mr B was a representative of the estate, our service was not able to award compensation to him.

Fairmead accepted our investigator's view.

Mr B has requested the case be passed to an ombudsman for a final 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.

I want to assure Mr B that I've considered everything he's said carefully, including his comments to our investigator following their view of the complaint.

My decision focusses on what I see as the central issues to this complaint. I don't intend this as a discourtesy, rather it reflects the informal nature of our service and my role in it.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- Our service has requested information from Fairmead regarding the claim, including its reasons and any information regarding why the chimney breast and damp-proof issues haven't been included in the settlement. It hasn't provided anything, however, it has since accepted our investigator's view – including that this should be included in the claim.
- Based on the information available to me, I'd say its more likely than not the issues reported to the chimney and damp proofing should be included in the claim, so therefore it reasonable Fairmead do so.
- Fairmead accepted it has caused avoidable delays in its handling of the claim – in particular, in producing a SOW, and it confirmed it still hadn't been able to do so, over a year after stabilising works had been completed at the property. As a result, the claim has been unable to progress.
- Fairmead haven't provided any information about why it rejected Mr B's costs, but again it since accepted our investigator's view that it should settle at these costs. So considering the information available to me, I think it's reasonable that it proceed to settle the claim at the costs provided by Mr B. Due to the period of time that has passed since Mr B initially submitted the quote, its fair and reasonable for Fairmead should consider an updated quote based on the same works.
- I'm aware Fairmead have offered compensation to Mr B. However, as he is bringing this complaint as a representative of the estate, he is not the 'eligible complainant' himself as defined in DISP 2.7 of the FCA handbook.
- As we can only make awards of compensation for distress and inconvenience experienced by the complainant, I won't be able to award anything for this as part of my decision on this complaint. I do acknowledge however

that Fairmead have offered a compensation payment and therefore it would be reasonable for it to pay this.

- I've also considered Mr B's comments about the impact of the reduced time on the stabilisation guarantee – and the impact on the property's value regarding a potential sale. I understand why Mr B may have concerns about this, but I've not seen any evidence that persuades me this is the case. So, I make no award here.

So for these reasons, I uphold this complaint.

### **Putting things right**

To put things right Fairmead should provide a cash settlement for reinstatement works to the property – which should include the chimney breast and damp-proof issue. Fairmead should consider an updated quote if required, based on the same works Mr B initially submitted.

### **My final decision**

My final decision is that I uphold the estate of Mrs B's complaint.

To put things right I direct Fairmead Insurance Limited to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs B to accept or reject my decision before 22 August 2024.

Michael Baronti  
**Ombudsman**