

The complaint

Miss N has complained about the way Soteria Insurance Limited handled a claim she made under her home insurance policy for subsidence.

What happened

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Miss N got in touch with Soteria in May 2021 about damage to her property.
- Soteria appointed a loss adjuster, C, who arranged for a number of investigations to establish the cause of the damage, including monitoring.
- By August 2022, C said the damage had been caused by subsidence due to nearby vegetation and accepted the claim. The implicated vegetation was protected. C applied to have that protection lifted so the vegetation could be removed – but its request was denied.
- As a result, C had to stabilise the subsidence movement in a different way. In April 2023 it proposed a resin injection scheme to stabilise the property.
- In September 2023, Miss N complained. In summary, she wasn't happy with the way the claim had been handled or the proposed method of stabilisation. In particular, she thought damp and mould problems had been caused by subsidence and should be dealt with by Soteria as part of the claim.
- Soteria provided its complaint response in November 2023. It said there was no evidence to suggest the stabilisation method wouldn't work – but it would review any such evidence Miss N were to provide. It accepted there had been some delays and poor communication at times and offered £500 compensation.
- Miss N provided two professional reports and Soteria appointed a damp specialist. Soteria considered all three reports and maintained its position.
- Our investigator thought Soteria had handled much of the claim fairly, including its proposals for stabilisation. But she identified a number of avoidable delays and instances of poor service up to the November 2023 complaint response, which she thought warranted more compensation. She asked Soteria to pay an additional £500 compensation, making £1,000 in total.
- Soteria agreed to pay the additional compensation. It said the next steps for the claim were to stabilise the property, finalise the schedule of work for repairs to the property, and then discuss with Miss N how to settle the claim.

- Miss N didn't agree and asked for her complaint to be referred to an Ombudsman. She said the way Soteria had handled the claim meant she'd lost confidence it would deal with the issues fully and properly.

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 our investigator has explained, this complaint is mainly about Soteria's repair proposals and how the claim has been handled up to and including the November 2023 complaint response. As a result, my findings will concentrate on these points.

Repair proposals

- The policy covers damage to the property caused by subsidence. Taken literally, that means the policy covers the repair of the damage only. However, I would expect any repair to be lasting and effective. In a subsidence claim, that means ensuring the property is stable before repairs are carried out. So stabilisation is effectively part of the claim too.
- Soteria has recognised this. It initially sought to stabilise the property by having the implicated vegetation removed. That wasn't possible because it's protected and the application to lift that protection was denied. As a result, Soteria has proposed a resin injection stabilisation method.
- Miss N has provided a report from an engineer, E. They commented on a number of matters relating to the damage and claim. Relevant to this dispute, E didn't suggest resin injection was unlikely to be suitable or effective and nor did they recommend an alternative method of stabilisation. E suggested Soteria consider if possible slope stability and soil creep near the building were a factor in the movement – and therefore whether the stabilisation proposal should take that into account.
- Miss N also provided brief comments from J. I understand J is related to Miss N and has an interest in the property but is also a chartered builder, so has been able to provide professional opinion. J also expressed concerns about the possibility of landslip and the consequential impact on the appropriate stabilisation method.
- In response, Soteria maintained its proposal would stabilise the property. It also said the monitoring had shown subsidence movement – and there was no evidence to show the movement to the property had been impacted by landslip or soil creep. I'm satisfied that's a fair position based on the professional opinion currently available. Whilst E and J suggested the possibility of landslip or soil creep, neither has shown movement of this nature has taken place – or, if it has, that it's a factor in the subsidence problem. And neither challenged Soteria's resin injection stabilisation method. Soteria remains confident its stabilisation method will be successful. If it's not, Soteria will be responsible for putting that right.
- E noted significant damp problems at the property and gave a professional opinion on the likely causes and remedies. They didn't suggest the subsidence problem had caused or contributed to the damp and mould. Soteria later appointed a damp specialist who also gave a professional opinion on the likely causes and remedies of the damp and mould but didn't suggest subsidence had caused or contributed to it. As a result, Soteria hasn't agreed to deal with the mould and damp problems. I'm

satisfied that's a reasonable position to take, as the professional evidence doesn't show the problems are related to subsidence. And the evidence doesn't suggest the damp and mould would be covered under the policy in any other way.

- Overall, this means I'm satisfied Soteria's repair proposals are in line with the policy terms and fair and reasonable. So I won't require it to do anything differently.
- The next steps it's suggested also seem fair and reasonable. If Miss N is in agreement, Soteria can proceed with the stabilisation method. It can then finalise the schedule of repair and discuss how to settle the claim with her.

Claim handling

- Soteria is required to handle claims promptly and fairly. It's accepted it didn't always do that and, as a result, there have been avoidable delays and poor communication. It initially offered £500 compensation. After our investigator's involvement, it's now offered a total of £1,000 compensation. The question for me is whether that's a fair and reasonable amount in the circumstances.
- A subsidence claim will inevitably cause a policyholder a degree of distress and inconvenience. They have to live with the damage to their property, and it will rightly take time to identify the cause of the subsidence movement and take steps to stop that movement. This is unfortunately the nature of subsidence and not something I can hold against Soteria.
- However, where the way Soteria has handled the claim has avoidably increased that distress and inconvenience, I will hold Soteria responsible and require it to pay a fair and reasonable amount of compensation for the additional problems caused.
- Our investigator has already identified in detail the ways Soteria has caused avoidable distress and inconvenience. I don't think either party disputes what our investigator found, so I won't go through each and every part of the claim handling in detail – I'll summarise the key points:
 - It wasn't immediately clear what the cause of the damage was, so C carried out a number of investigations, including monitoring, to establish the cause. This was a necessary part of the process. It wasn't until autumn 2022 that the monitoring showed subsidence movement and the claim could be accepted.
 - However, there was an initial delay beginning the process.
 - When it was clear the implicated vegetation was protected, there was a delay in making the application to have the protection lifted.
 - C noted temporary repairs were required but it took months to complete them.
 - Similarly, Miss N noted the damp and mould problems, but it took C a long time to look into them.
 - C didn't follow up on Miss N suggesting she had professional reports.
 - Miss N hasn't always been responded to promptly and/or clearly and there has been a lack of updates to her. So even when necessary steps were being taken, that wasn't made clear to Miss N.
- Overall, I'm satisfied a total of £1,000 compensation is a fair and reasonable amount in the circumstances. So I won't require Soteria to pay more than that. If Soteria has already paid the original £500 it offered, it need only pay the remaining £500.

My final decision

I uphold this complaint.

I require Soteria Insurance Limited to pay a total of £1,000 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 2 September 2024.

James Neville
Ombudsman