

The complaint

Mr and Mrs B complain about the handling of their subsidence insurance claim by Royal & Sun Alliance Insurance Limited trading as More Than ('RSA').

Any reference to RSA includes the actions of its agents.

What happened

Mr and Mrs B hold buildings insurance cover with RSA. They noticed cracks in their home and had these repaired. After further cracks appeared, Mr and Mrs B made a claim to RSA for subsidence in December 2018. RSA accepted the claim.

Site investigations took place, and it was found that some nearby trees were causing shrinkage of the clay subsoil. The trees were owned by the local authority ('LA'), and the LA installed a root barrier in April 2021.

Mr and Mrs B complained to RSA about its handling of the claim, and the root barrier installation by the LA.

RSA issued a final response on 13 October 2022. It accepted there had been several avoidable delays, and paid Mr and Mrs B £1,000 compensation for this. RSA confirmed it had no control over the LA's decision to install the tree root barrier, though it said this should stop any further movement caused by the vegetation. It said it would be in touch with them so a scope of work could be agreed. It confirmed that once repairs were completed, a certificate of structural adequacy would be provided.

Mr and Mrs B were still unhappy with RSA's handling of the claim and made a further complaint.

RSA issued a second final response in April 2023. It said the monitoring that had taken place over 2022 showed no significant movement to the property, and therefore it was ready to carry out repairs. However, it recognised there had been issues with its communication, and it paid Mr and Mrs B £200 compensation for this.

A few months later, Mr and Mrs B made a further complaint to RSA. They remained unhappy about the root barrier that had been installed and instead wanted their property to be underpinned. Mr and Mrs B thought RSA had devalued their home by 50%. They said nothing in their home had been repaired, and their roof was still leaking.

RSA issued a third final response on 13 March 2024. It said it couldn't comment on the root barrier that was installed by the LA, though it said that monitoring readings showed the success of the scheme. However, RSA said that if Mr and Mrs B weren't convinced their property was stable, then it could consider further monitoring. RSA said it had obtained a roof report which found the problems with the roof weren't related to subsidence. RSA again confirmed that it was able to proceed to repairs and said it was awaiting Mr and Mrs B's agreement to this.

Unhappy with RSA's response to their complaint, Mr and Mrs B brought their concerns to this service.

Our investigator looked into things but didn't recommend the complaint be upheld. His main points were:

- We couldn't consider Mr and Mrs B's concerns about the LA as they aren't a regulated financial business.
- Issues addressed in RSA's final response letters of October 2022 and April 2023 were outside our jurisdiction, as Mr and Mrs B hadn't referred their complaint to this service in time.
- Monitoring has taken place which shows the property to be stable. He didn't think there was any need for underpinning. Though RSA had offered to consider arranging further monitoring if Mr and Mrs B wanted this.
- It was reasonable for RSA not to include the roof in its schedule of works, as the evidence supports the roof damage isn't related to subsidence.
- He didn't think RSA had delayed the claim since April 2023, and didn't find that RSA was responsible for any loss in market value of the property.

Mr and Mrs B didn't accept our investigator's findings, and so the matter has been passed to me for a 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.

Mr and Mrs B are unhappy with the LA's decision to install a root barrier instead of removing the trees as recommended by the arborist report. They're also unhappy with the installation of the root barrier itself.

Though as our investigator has explained, we can only consider complaints against financial businesses regulated by the Financial Conduct Authority, and the LA isn't a regulated financial business. So I can't consider the LA's decision to install the root barrier, or the workmanship involved when installing it.

I also can't consider matters addressed in RSA's final response letters of October 2022 and April 2023, as Mr and Mrs B didn't bring a complaint about those matters to this service in time.

RSA's refusal to carry out underpinning

Mr and Mrs B say that the root barrier is only a temporary fix, and they want the property to be underpinned.

As a third-party (the LA) owns the trees that are causing the subsidence, RSA cannot force them to remove those trees. The LA has decided on an alternative method to stabilise the property and chose the root barrier installation. That decision was up to the LA.

In terms of RSA's obligation under the policy, this is to carry out an effective and lasting repair. It can't do that if a property is still moving. We would therefore expect RSA to take steps to stabilise a property where there is progressive movement before carrying out repairs to the property.

However, in Mr and Mrs B's case, the LA has taken action to stabilise the property. The subsequent monitoring that has taken place shows that the property is stable. That means that subsidence is no longer happening, and therefore RSA doesn't need to take any action to stabilise the property.

Mr and Mrs B are concerned about the long-term effect of the root barrier installation. However, RSA isn't responsible for ensuring Mr and Mrs B's property never moves again. Given that the evidence supports Mr and Mrs B's house is no longer moving, I think it was reasonable for RSA to refuse to consider other stabilisation works, such as underpinning.

RSA told Mr and Mrs B that if they weren't convinced their property was stable, then it could consider further monitoring before carrying out repairs. I think that was reasonable. There was some later discussion between the parties about RSA carrying out monitoring after the repairs, but I don't think this is needed. I say this because, as Mr and Mrs B have pointed out, if there was further movement after the repairs are completed, this would likely show by way of crack damage anyway.

Roof

RSA arranged a roof inspection which took place in December 2021. The roofing contractor said:

'I found the following problems with the roof:

- *Broken ridge tiles and tiles around the chimney stack.*
- *Someone has already sealed the lead on the stack with mastic. Not sure if this was a temporary repair completed by others as part of the claim.*
- *The dip in the roof is caused by the builder or roofer who completed the works at the time of the extension. They have used a different size batten than what was used on the original house and thus causing a change in height.*
- *It seems that all battens are in line on the joining rafter and not staggered correctly. This again adds to the issues.*

In conclusion, to repair the roof we will need to remove all of the roof back to trusses and start again. As mentioned above, this is not down to ground movement.'

I haven't seen any evidence that the problems with the roof were caused by subsidence, so I don't think RSA did anything wrong by refusing to carry out roof repairs.

Value of property

Mr and Mrs B say they'd had enough and decided to sell their home, only to find out the house had significantly dropped in value due to the subsidence.

I've read the estate agent's letter from June 2022. This explains the property was worth about 50% of the market value at the time, and this was due to the subsidence. They said the property would only be suitable for cash buyers and people willing to take on the considerable repair work needed.

However, RSA is offering to carry out the repairs needed. Once the repairs have taken place, RSA can issue Mr and Mrs B with a certificate of structural adequacy which they can give to the next buyer. If the fact that subsidence has previously occurred affects the value of their home after this point, then that is not RSA's fault.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 22 April 2025.

Chantelle Hurn-Ryan
Ombudsman