

The complaint

Mr and Mrs W complain that Fairmead Insurance Limited (“Fairmead”) has handled a claim made under their home insurance policy unfairly and caused delays.

What happened

In June 2020, Mr and Mrs W made a claim under their home insurance policy with Fairmead, when their property suffered subsidence related damage. Fairmead accepted the claim and Mr and Mrs W arranged to build and move into a small annexe at the property so that works could be carried out.

Building work commenced much later than Mr and Mrs W had expected, and so they made a complaint to Fairmead about the delays, as well as other issues they were unhappy about relating to the rectification works at the property.

Fairmead apologised for the delays and offered £200 compensation for the inconvenience caused. But Mr and Mrs W felt they had to make a further complaint when things failed to progress to their satisfaction. In its response to the second complaint, Fairmead said claims of this nature were complex – and that although it had taken some time to progress matters, it hadn’t identified any avoidable delays.

Mr and Mrs W remained unhappy, so they referred their complaint to this service. Our Investigator looked into everything and thought Fairmead could’ve provided a better service. So he recommended Fairmead increase the level of compensation from the £200 offered, by a further £300 – making a total of £500 compensation for the distress and inconvenience Mr and Mrs W had experienced.

Neither Fairmead nor Mr and Mrs W accepted our Investigator’s opinion. Fairmead said that Mr and Mrs W had appointed their own contractors and a final inspection had been carried out in December 2023 when all works were completed. It added that new issues had arisen which were unconnected to the previous claim and that delays were caused by Mr and Mrs W as they were unwilling to move back into the property.

Mr and Mrs W said they felt the extra £300 didn’t fairly compensate them for their losses. They said considerable time had been lost due to issues such as the insurer not paying its invoices on time (which Mr and Mrs W said they were made aware of by the contractors) and the fact that their home was left in an unacceptable state. They said, among other things, that all their belongings were still packed, and that the property was unclean and in their view uninhabitable.

Because the parties didn’t agree with our Investigator, and wanted an Ombudsman to review the complaint, the matter has now come 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.

As this is an informal service, I'm not going to respond here to every point or piece of evidence Mr and Mrs W or Fairmead have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both parties that I have considered everything submitted. And having done so, I'm upholding this complaint in line with our Investigator's recommendations. I'll explain why.

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 give 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 in all the circumstances.

I've looked closely at the timeline of the claim. The claim was made in June 2020. A preliminary visit was planned soon after, following which monitoring was arranged and commenced. Further subsidence was noted by Mr and Mrs W in August 2020 and liability was accepted for the claim. Crack monitoring continued throughout September and October and Fairmead advised that during the dry summer, it wasn't unusual for further damage to occur. In November it was recommended that further level monitoring took place as the damage was severe and the pattern of movements would need to be checked. I can't see that there were any unreasonable delays up to this point (as some issues in arranging visits to the property were due to the pandemic, and so I do not consider these to have been within the parties' control).

In December 2020 the arboricultural report recommended removal of the necessary vegetation. There was some discussion around the felling of the ash tree, which Mr and Mrs W challenged. Fairmead explained as it was within the zone of influence it would need to be reduced or removed. Mr and Mrs W were advised that this could have a detrimental impact in future if not removed, and that insurance would likely not cover future damage. Mr and Mrs W expressed their preference to keep the tree. And there was some discussion around alternative accommodation as well as removal of Mr and Mrs W's possessions.

Throughout 2021 discussions took place about Mr and Mrs W moving out of the property so works could commence. There were discussions around the building and cost of the annexe, which Fairmead said it would contribute towards. At the start of 2022 Mr and Mrs W were corresponding in relation to the cost of the annexe as the £10,000 contribution from Fairmead was lower than they expected. Fairmead confirmed that they'd considered costs in line with what it would cost to obtain alternative accommodation and they felt £10,000 was a fair offer.

By February 2022 monitoring results had all been obtained and it was concluded that as the property was now stable, repairs could now commence. Mr and Mrs W confirmed in April 2022 that the annexe was still under construction and had asked for the repair specification to be sent to them, as well as assurances that their possessions would be moved into storage before works commenced. In May 2022 Mr and Mrs W expressed their dissatisfaction that the specification had still not been sent to them. I can see that in response to this email, they were then sent the specification two weeks later. Revisions were made to the specifications to incorporate Mr and Mrs W's needs – including for the removal, packing and storing of their contents. And in Mr and Mrs W's emails there is also a reference to the fact that the delay to the original timeline meant they had the breathing space to construct the annexe. I don't consider any of the delays up until this point to have been unreasonable, as looking at the email chain, there was generally good communication between the parties and progress was being made on all fronts.

I can see that there were what I'd consider to be avoidable delays due to Fairmead not attending promptly enough to deal with the issue of doors not fully shutting at the property. This left Mr and Mrs W feeling vulnerable to intruders and I can appreciate the worry and distress this must have caused them. There was also a delay due to discussions around the use of Mr and Mrs W's own contractor, as Fairmead's contractor was significantly cheaper. By December 2022 works still hadn't commenced at the property, despite Mr and Mrs W having moved into their annexe in September, and Mr and Mrs W were understandably frustrated about this. However, I can see that Fairmead was having difficulty in agreeing a start date with Mr and Mrs W's chosen contractors, so I have had to bear this in mind when considering the cause of the delays.

By February 2023 site visits had been planned with Mr and Mrs W's preferred contractors. Asbestos testing and removal took place, as well as further repairs and reinstatement works.

Mr and Mrs W first complained in August 2023 about the slow progress, after which £200 was offered to them for delays and Fairmead says this was accepted. Fairmead said it accepts that the contractors were awaiting payment of a large invoice and this was chased up and paid, albeit much later than it should've been. In November 2023 Mr and Mrs W confirmed by email that around 98% of the house was finished, and it was only sundry items such as shelves, pictures and wall accessories still to be fixed, before cleaning could be undertaken. Mr and Mrs W were concerned about all their possessions being returned to the right locations, because – understandably – as a couple in their 90s, this was going to be an impossible task for them to do themselves.

I can see there was some discussion at the start of 2024 about who would be liable to re-assemble items such as beds, and there were other issues to be addressed such as stains on carpets. Overall, Mr and Mrs W felt the property was a mess and that they couldn't move back in. They've sent us photos which I've considered carefully, and I agree that the finishing of some of the work wasn't what I'd expect. For example, I've seen photos of paint on light switches, unfinished filler, gaps in flooring, unpacked china and a bedroom that was left untidy with items and boxes piled on top of each other. Whilst I don't consider this to have meant the property was uninhabitable (as this service usually considers uninhabitable properties to be those without washing or cooking facilities, for example) I can certainly appreciate that the condition of the property and the state it had been left in would've caused Mr and Mrs W considerable upset. I've also had to bear in mind throughout this that Mr and Mrs W chose their own contractors to carry out the reinstatement works.

Mr and Mrs W's complaint was referred to this service in February 2024. Fairmead reiterated that Mr and Mrs W had appointed their own contractors – which I can see they did as these were the contractors who built their annexe and there is some discussion around Mr and Mrs W trusting those contractors more as a result of having used them previously. So I can understand why there was some confusion over the liability of who should ensure the property was in a decent state for Mr and Mrs W to live in. Whilst I've said I don't consider the property was uninhabitable, I do think Fairmead could've done more to help Mr and Mrs W, as they were particularly vulnerable customers due to their age and mobility issues. However, I also agree with Fairmead that some of the issues and snags would've been the contractor's responsibility – and as that contractor was appointed by Mr and Mrs W, it's not Fairmead's role to step in and finish off their work. I am pleased however to see that the contractor is currently in contact with Mr and Mrs W about snagging issues.

I've thought carefully about the level of compensation that should be awarded in this case. Both parties have disagreed with our Investigator's assessment. And I can see both points of view. On the one hand, Fairmead cash settled to allow Mr and Mrs W's choice of contractor to complete the works, and on the other hand it did make some mistakes along the way – for example by not paying invoices promptly which caused a delay and not always calling Mr

and Mrs W back when it said it would. So I think a fair and reasonable level of compensation in this case, to reflect the distress and inconvenience Mr and Mrs W have experienced due to some delays and communication issues, is £500 in total. From this, Fairmead may deduct what it's already paid Mr and Mrs W for this complaint. So if it's paid the £200 it offered previously, then it now should pay Mr and Mrs W a further £300.

Both parties can look at [our website](#) for examples of how we determine awards for distress and inconvenience. In this case, I've explained that there were some avoidable delays throughout the claim – and I think Fairmead could've provided a better service at times. But overall, progress was generally as I'd expect, and I can see from the timeline that even during times when Mr and Mrs W felt nothing was happening, behind the scenes Fairmead was trying to progress matters with third parties. I think at times it could've acted more quickly, but I also think some of the difficulties it had were outside its direct control.

I can see that the claim journey impacted Mr and Mrs W considerably as a couple in their 90s, who were particularly vulnerable due to their mobility issues and were living uncomfortably outside their main home for a prolonged period of time. Mr and Mrs W should note that I don't consider the entirety of the delays to be Fairmead's fault, as there were issues with Mr and Mrs W's chosen contractor not starting work as expected and there were also disagreements about the liability of tasks and the habitability of the property, among other things. And as I've said, I don't consider, from what I've seen, that the property was strictly uninhabitable. But I do consider there were issues that caused Mr and Mrs W increased inconvenience. For example, I know it wasn't easy for Mr and Mrs W at their age to have become involved in the claim to the extent they did, writing long emails and making several phone calls to chase progress. But I do think an element of a claim of this nature, and having a property that has suffered from subsidence, is the significant and unavoidable disruption, inconvenience and stress that it naturally brings. So I've awarded for what I feel is the added inconvenience that was caused by Fairmead's actions here. And an award of £500 in total reflects the fact that I consider the impact of some of the delays and actions of Fairmead to have caused inconvenience and disruption that required considerable effort on Mr and Mrs W's part to sort out.

Mr and Mrs W have contacted us about ongoing issues, including the damaged toilet. I don't have enough information about these newer issues, and would need sufficient evidence as to the cause of damage, to be able to determine liability. I understand Mr and Mrs W are with new insurers who should be able to investigate any further problems. However, any further issues which arise and are in relation to the existing subsidence claim will need to be dealt with as a new complaint directed to Fairmead, before this service can become involved.

For the reasons I've explained, I'm upholding this complaint and will require Fairmead to do the following to put things right.

Putting things right

Fairmead Insurance Limited should increase the level of compensation from the £200 offered to Mr and Mrs W for this complaint to £500 in total, for the distress and inconvenience caused.

My final decision

My final decision is that I uphold this complaint and I require Fairmead Insurance Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 24 February 2025.

Ifrah Malik
Ombudsman