

## The complaint

Mr and Mrs N have complained about the way Admiral Insurance (Gibraltar) Limited handled a claim they made under their home insurance policy for subsidence.

Reference to Admiral includes its agents and representatives. And as Mr N has primarily dealt with things, I'll refer to him on behalf of Mr and Mrs N for ease of reading.

## What happened

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

- Mr N got in touch with Admiral in September 2022 about crack damage to his property. Admiral accepted the damage had been caused by subsidence and was covered by the policy. It offered a cash settlement for non-structural repairs.
- Mr N took advice from N, a structural engineer. N said that whilst vegetation had been removed, underpinning was required to provide stability, together with crack repairs. Mr N shared the report with Admiral and it agreed to consider the matter further by carrying out ground investigations, which took place in July 2023.
- Around the same time, Mr N complained about the way the claim had been handled. Admiral provided its complaint response in August 2023 and Mr N referred it to this Service. In a separate decision, I found there had been poor claim handling, including delays, and Admiral should pay compensation. I was satisfied the claim position it had reached by August 2023 – to review the results of the ground investigations and let Mr N know the next steps – was reasonable.
- In September 2023, Admiral went on to review the results. It said further vegetation removal may be needed in order to stabilise the property. It took advice from an arborist soon after, who recommended a tree in a neighbour's property be removed. Admiral got in touch with the neighbour, who agreed for it to be removed – but this hadn't happened by March 2024. Admiral also said it would setup level monitoring – which it did in December 2023.
- Mr N raised further complaints after August 2023. Admiral provided responses in November 2023, January 2024, and March 2024. In summary, it accepted there had been further claim handling problems and offered a total of £550 compensation. It said the tree was due to be removed as a priority, it wouldn't carry out underpinning, and it would consider whether the damage to the foundation was covered. Mr N referred his complaint to this Service.
- Our investigator looked at what had happened since the August 2023 complaint response, up to and including the March 2024 complaint response. He thought Admiral should increase its total compensation offer to £750 to reflect the impact of the prolonged poor claim handling. He also said Admiral should appoint a structural engineer to assess the evidence and comment on whether tree removal alone would bring about stability to the property.

- Admiral agreed to pay the additional compensation and appoint a structural engineer. I understand Mr N agreed with the appointment of a structural engineer, but he didn't think the additional compensation went far enough to put things right.

### **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, the scope of this complaint is how the claim was handled, from the complaint response in August 2023, up to and including the complaint response in March 2024. That will also include the complaint responses in November 2023 and January 2024. I know the claim has continued since then and more concerns have arisen. They will be considered separately, so I won't consider them here.
- Mr N has made many detailed submissions and it's clear he feels badly let down by Admiral. Whilst I recognise his strength of feeling and have read and considered all of his submissions, I won't be responding in similar detail or covering off each and every point he's made. This isn't meant as a discourtesy, it's simply a reflection of the informal nature of this Service. My role is to reach and explain an outcome that I consider to be fair and reasonable in all the circumstances. I'll focus on what I consider to be the key points when doing so.

### *Claim position*

- The policy covers damage caused by subsidence. Admiral agreed that had happened in this case and accepted the claim. So that's not in dispute.
- Following the August 2023 complaint response, Admiral reviewed the results of the ground investigations, took arborist advice, and secured the neighbour's agreement to remove the tree recommended for removal by the arborist. It also setup level monitoring. It said these steps would stabilise the property.
- I can understand why Mr N was concerned about whether these steps would bring about stability. N's advice was that underpinning would be required. And the arborist said removing the tree would 'potentially' stabilise the building. So the professional opinion didn't clearly support tree removal as a solution to the subsidence problem.
- It's important at this stage to return to the policy cover. It doesn't include underpinning – just the repair of the subsidence damage. However, in order to carry out a repair that's lasting and effective, the building will need to be stabilised. That can be achieved by underpinning but here, where the subsidence is thought to have been caused by vegetation, tree removal can often achieve stability too. Insurers will usually seek stability by tree removal first and only turn to underpinning if that's not successful. Underpinning can be very expensive and disruptive, so I don't think that's an unreasonable way to approach things in principle, in most cases.
- In this case, Admiral has taken and followed arborist advice – which may bring about stability. And setting up level monitoring means stability can be judged using objective evidence. I think it was entitled to take these steps initially and explore if it could achieve stability this way. I don't think it needed to follow N's advice to underpin straightaway – but it may do later, depending on the impact of tree removal.

- More recently, Admiral has agreed to appoint a structural engineer to assess whether the tree removal will sufficiently stabilise the building and, if not, what should be done to achieve stability. I think that's a reasonable way forward, and the most appropriate next step is for the relevant professional – a structural engineer – to consider the matter. So I won't interfere with that by making any findings about how Admiral should progress the claim, beyond the appointment of the structural engineer. Once the engineer has been appointed, I would expect Admiral to take into account their professional opinion and let Mr N know how that impacts the next claim steps.
- Admiral has also agreed to consider whether the damage to the foundation is covered and I'm satisfied that's a reasonable way forward on this point.
- In these circumstances, I'm satisfied the claim position reached by Admiral in March 2024 – together with its offer to appoint the structural engineer – was reasonable.

### *Claim handling*

- Admiral is required to handle claims promptly and fairly. It conceded it didn't always fulfil that requirement and offered £550 compensation. Our investigator asked it to increase that to £750, and Admiral agreed to do so. Mr N doesn't consider that increased amount fairly reflects the distress and inconvenience he's suffered as a result of the way the claim has been handled.
- All claims will necessarily cause a degree of distress and inconvenience. It's often distressing for homeowners to see their property damaged and live with that damage whilst the problem is put right. And it's usually inconvenient to accommodate various professionals visiting to carry out inspections, investigations, and repair work. All of that is an unwelcome but inevitable consequence of the damage and not something I can hold against an insurer.
- Where an insurer *unnecessarily or avoidably* adds to that inevitable distress and inconvenience, I can hold it responsible. I'll consider the impact of that on the policyholder and what an appropriate corresponding level of compensation would be.
- Within the scope of this complaint, which is a 6-7 period of time, Admiral has taken meaningful steps to progress the claim. It's accepted there have been some delays, but I don't think they were significant. Admiral has also accepted there's been continued poor communication throughout that period. That's always disappointing to see, but especially so after Admiral accepted this in the first complaint – and hasn't taken steps to avoid repeated problems. This has led to prolonged avoidable distress and inconvenience for Mr N. It's clear he's had to spend much more time than he should on the claim, chasing for responses and updates.
- In these circumstances, I'm satisfied the £750 compensation Admiral has offered is fair and reasonable. If it's paid any of the amounts it previously offered, it's entitled to deduct them and pay the remainder, if any.

### **My final decision**

I uphold this complaint.

I require Admiral Insurance (Gibraltar) Limited to:

- Appoint a structural engineer, as above.
- Consider the foundation damage, as above.
- Pay a total of £750 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N and Mrs N to accept or reject my decision before 30 December 2024.

James Neville  
**Ombudsman**