

The complaint

Mrs D complains about esure Insurance Limited's settlement of her home insurance claim.

esure's been represented for the claim at points. For simplicity, I've generally referred to the representatives' actions as being esure's own. Mrs D's been represented by her husband, Mr D, for the claim and complaint. For ease of reading, I've generally referred to Mr D's comments and actions as being Mrs D's own.

What happened

In 2020 Mrs D claimed against her esure home insurance policy. She felt her property had damage caused by subsidence. The claim was initially declined as esure wasn't persuaded there was subsidence damage. After some back and forth, including a complaint to the Financial Ombudsman Service, esure accepted the claim.

The claim progressed with esure proposing certain works and repairs. A cash settlement was proposed, as Mrs D preferred to use her own contractors for repairs. But she was unhappy with various aspects of esure's claim handling and proposed settlement. In April 2024, esure issued a complaint final response. It apologised for taking longer than expected to conclude the claim, offering £2,000 compensation. With Mrs D still unsatisfied, discussions continued until, in August 2024, she confirmed, to this Service, four outstanding issues she would like considered.

In September 2024 our Investigator gave her opinion on Mrs D's four concerns. Mrs D's first concern focuses on the scope of works esure had proposed to prevent further subsidence. In her opinion it wasn't extensive enough to resolve a rising groundwater problem. The Investigator was persuaded by Mrs D's arguments. She recommended esure cover the cost of additional works Mrs D feels necessary for a lasting repair.

Mrs D's second concern is the difference between the amount offered by esure for flooring work, compared to her actual costs. The Investigator recommended esure cover additional costs for the floor and related work.

Third, Mrs D had asked esure to add an inflationary increase to the cash settlement, as she considered it to be based on historic costings. The Investigator said esure should evidence the settlement being based on up-to-date rates.

Finally, Mrs D believes esure, by delaying the claim caused her a financial loss on the sale of her property. The Investigator felt there wasn't evidence to support this.

As esure didn't accept the proposed outcome the complaint was passed to me. I issued a provisional decision. In it I explained why I didn't intend to uphold any of Mrs D's four concerns or require esure to do anything differently. As the provisional decision reasoning forms part of this final decision I've copied it in below. In that provisional decision I invited Mrs D and esure to provide any further comments or evidence they would like me to consider before issuing this final decision.

what I've provisionally 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 Mrs D and esure 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 that I have considered everything submitted.

I've addressed each of Mrs D's four concerns in turn. When doing so I've considered the whether the available evidence supports Mrs D's position.

groundwater

esure's settlement includes costs for ground improvement works. This is based on an estimate from its supplier, a ground engineering specialist (S). esure's position is that the estimate is based on a scope of works adequate for preventing further subsidence.

I'm not going to set out Mrs D's concerns in detail. But, to summarise, she considers the proposed works, and so related settlement, to be inadequate. In short, she doesn't accept it will provide an effective solution.

For me to require esure to increase its settlement to cover a wider scope of works I'd need to be persuaded, by the evidence, that S's proposal is most likely inadequate. Whilst I appreciate that Mrs D has her opinion on this is, with this type of technical issue I usually find expert evidence to be the most persuasive.

S, as a ground engineering specialist, has said its confident it will be adequate. esure's subsidence expert and claims handler (E), including an engineer, is of the opinion the proposed works offer a robust and proportionate repair solution.

On the other hand, Mrs D hasn't provided any persuasive expert evidence to support her concerns about the limitations of S's proposed solution. She's referred to a February 2022 letter from her own engineer. But that doesn't appear to address or critique S's proposal. She's referred to other engineers doubts about its effectiveness. But I haven't been provided with a relevant report or any direct comments.

Mr D's provided various explanations as to why he considers S's proposal to be ineffective. I've seen reference to him having engineering knowledge or experience. First, I haven't been provided with any further details of his relevant qualifications. Second, he doesn't appear to be involved from a professional position. So I can't reasonably give more weight to his opinion, than to S or E's.

So in summary, the available expert evidence supports S's proposal and esure's related settlement. Whilst I will consider anything further from Mrs D, I don't currently intend to require Esure to do anything differently on this issue.

flooring

esure's offered a settlement of around £7,500 plus VAT for repairs related to flooring. It calculated this as on a £180 per sqm basis. Mrs D says this is significantly short of actual costs – by up to £20,000. This calculation appears to be based on costs of £704 per sqm.

esure's said it's willing to consider meeting some of these costs if Mrs D can evidence them. That's a reasonable request. But as far as I've seen she hasn't provided anything to demonstrate this significant additional cost. Without persuasive evidence that such expenditure is necessary, reasonable and in line esure's liability under the policy, I can't fairly require it to pay an additional £20,000. So, I don't intend to require it to. I will of course consider any further evidence Mrs D provides.

inflation

Mrs D's settlement was paid in mid-2024, but based on some costings from January 2023. She would like an inflation related increase to be applied to cover increased costs between the two dates.

Mrs D opted for a cash settlement, rather than to use esure's contractors to undertake repairs. In those circumstances the policy terms allow esure to settle at the rates it would pay its contractors. So, first of all, I consider it fair for it to settle based on its contractor rates.

esure's explained the settlement, paid in August 2024, was based on its applicable rates for its contractors at that date. It's explained how its rates are adjusted. For reasons of commercial confidentiality I'm not going to give exact details of the process here. But to summarise, esure says there wasn't an uplift in rates between those two dates. That's why it hasn't increased the settlement.

I'm satisfied esure's provided a reasonable explanation. So I don't intend to require it apply an inflation related, or similar uplift, to the settlement. Neither am I going to ask it to provide any further evidence of its rates and uplift process.

sale loss

Mrs D believes, due to esure's poor claims handling, she missed an opportunity to sell the property during a stamp duty holiday. In her opinion, during that period, she would have received a higher sale price than she will when she does manage to sell the property.

I don't intend to require esure to do anything on this point. First the time and ability required to sell a property, as well as price achieved, are conditional on a range of factors - including local demand, competition and the urgency of the sellers at the time. So it's difficult to be satisfied what would most likely have happened had the claim been resolved earlier.

Further, the property, as far as I'm aware, hasn't sold yet. So there isn't an actual loss to date - just a suggested theoretical one. It's possible the eventual sale price will be above what would have been achieved at Mrs D's suggested earlier date. For these reasons, even if I accepted esure actions caused a delay in marketing of the property, I don't intend to require it to do anything on this point.

compensation

Finally, esure offered £2,000 compensation. That's to apologise for the trouble and upset Mrs D's been caused by it taking longer than expected to conclude the claim. This is the level of compensation I'd expect where a business' mistake caused serious disruption to daily life over many months. So I'm satisfied esure's offer of compensation is fair and reasonable.

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 Mrs D and esure have provided in response to the provisional decision. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Esure didn't provide any further comments or evidence.

In the provisional decision I said, the available expert evidence supports S's proposed ground improvement works and so esure's related settlement. Mrs D didn't accept my position. She doesn't accept S' proposed ground improvement works, polymer injections to compact the soils below internal walls and floors, would prevent further subsidence. She said S' proposal wouldn't protect the whole house. She considered a more extensive programme of injections will provide a solution, so wanted the relevant cost included in her settlement.

Mrs D provided some recent comment and assessment from her own engineer (P). It focuses on the stability of the ground below, and so flooring in, her living room.

In response to distortion to sleeper walls of a floor, Mrs D had installed steel beams and pad foundations. She believes this can only be a temporary solution, with it only being installed due to necessity at the time. She's reported the floor is now unlevel.

P's opinion, based on his knowledge of the ground conditions, is that there's a possibility the pad foundations will spread loads effectively. But he finds it difficult to conclude it will provide a robust solution in the long term. However, he doesn't agree with either of S's or Mrs D's proposals for polymer injections. He says he wouldn't advocate polymer injections due to the ground conditions. P finds there is a good probability that approach wouldn't work. He states S's proposed depth of injection below the pad foundations would certainly be ineffective. P provided his own recommended course of action. This includes installation of a mini-pile solution to stabilise the pad foundations.

For me to require esure to provide a higher settlement, for this aspect of the claim, I'd need be persuaded of two things. First that S's proposed solution would prove ineffective in some way. Second that the alternative and suitable solution would involve costs above those offered by esure.

As I've set out Mrs D's now provided P's opinion that questions S's approach. Considering it inappropriate for the ground conditions. On the other hand, E's engineer is satisfied S's proposed works will produce uniform conditions beneath the whole of the building's footprint - providing an effective solution.

Where there's opposing opinion from suitably qualified experts, as with this case, it can be a challenge to reach a decision either way. But ultimately, I'm required to decide one way or the other. In my opinion E's engineer's position is given some additional weight by him having been closer to the claim, the evidence and its developments in recent years than P. As P notes, it's been sometime since he was involved in the matter, with him only having time to scan the history before providing his recent opinion.

I note P's comments about various polymer contractors informing him it isn't a practical approach for the relevant type of ground conditions. However, S, having visited the site and considered the ground conditions, is reported to be confident its proposals will be suitable.

Overall, it's a difficult decision to reach but I haven't seen enough to persuade me S's proposal is unlikely to provide a suitable solution. I also must consider that I've haven't been provided with any detail or costs of P's proposed solution. So even if I accepted it would be the appropriate method, I couldn't say esure's settlement wouldn't be sufficient to cover it. I accept this will be frustrating for Mrs D, but this means I'm not going to require esure to do anything differently on this issue.

In my provisional decision I addressed Mrs D's concern that there is a significant difference between esure's cash settlement and the cost of the work she undertook several years ago. I noted esure had said it's willing to consider meeting some of these costs if she can evidence them. But I concluded she hadn't provided anything to demonstrate this significant additional cost. I said without persuasive evidence that such expenditure was necessary, reasonable and in line esure's liability under the policy, I can't fairly require it to pay an additional £20,000.

In response Mrs D said she would provide evidence of costs. However, she hasn't done so. So my position remains unchanged. I'm not going to require esure to increase its settlement for this part of the claim.

My final decision

For the reasons given above, I don't uphold Mrs D's complaint.

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

Daniel Martin
Ombudsman