

The complaint

Mr and Mrs S complain about U K Insurance Limited's ('UKI's') handling of their subsidence claim under their buildings insurance policy.

Any reference to UKI includes the actions of its agents.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here.

In summary, Mr and Mrs S are unhappy with the way UKI has handled their subsidence claim. Their main concern is that the stabilisation scheme doesn't include underpinning to the driveway, pathways and patio. They also think UKI should reimburse them for surveyor/engineer fees. They're also unhappy with the scope of works, and UKI's position on alternative accommodation.

Our investigator didn't recommend the complaint be upheld. He thought it had been reasonable for UKI to say it wouldn't underpin the driveway, pathways and patio. He also didn't think UKI needed to reimburse Mr and Mrs S for their third-party fees. Our investigator noted the scope of works had been prepared some time ago - he thought it had been reasonable for UKI to say these works would be finalised once substructure work was completed. Finally, he didn't think UKI had caused any delays which meant UKI needed to continue paying for alternative accommodation.

Mr and Mrs S didn't agree with 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.

I've only summarised the background to the complaint above. That isn't meant as a discourtesy, it merely reflects the informal nature of the Financial Ombudsman Service. However, I have carefully considered all the submissions by the parties.

UKI has previously addressed Mr and Mrs S's earlier complaints about the claim. I've therefore only considered what happened between 11 September 2023 and UKI's latest final response letter of 26 January 2024.

Driveway, pathways and patio

The policy covers loss or damage caused by subsidence of the site on which the home stands. It says this includes cover for *'outdoor swimming pools, tennis courts, patios, terraces, service tanks, drains, septic tanks, pipes and cables, central heating fuel storage tanks, drives, footpaths, garden walls, hedges, gates or fences – but only if your home is damaged at the same time and by the same cause.'*

UKI's requirement under the policy terms is to repair damage caused by subsidence. I would expect the repair to be lasting and effective. Though, as our investigator has said, that doesn't mean an insurer should carry out substructure repairs to all areas below ground, as this usually wouldn't be necessary.

Mr and Mrs S initially wanted UKI to underpin the driveway, pathways and patio. UKI said these areas didn't have foundations as a home does, and so it couldn't underpin them. UKI confirmed it would carry out repairs to those areas, as it's required to do under the policy.

I understand matters have now moved on and Mr and Mrs S's surveyor agrees these areas don't need to be stabilised by way of underpinning.

I'm satisfied it was reasonable for UKI to say that it will carry out repairs to these areas when it carries out the superstructure repairs. As I've said, I would expect that repair to be lasting and effective.

Third party fees

The policy says that UKI will pay *'fees for chartered architects, surveyors, suitably qualified consultants and legal fees necessary for us to rebuild your home'*.

I'm satisfied that means UKI will pay the fees for the professionals that UKI considers necessary for it to rebuild the home. However, it doesn't mean that UKI is agreeing to pay for professionals that policyholders decide to appoint. I'm satisfied that UKI made it clear to Mr and Mrs S that if they appointed their own third party then they would be responsible for those fees.

After UKI issued its final response in January 2024, Mr and Mrs S chose to appoint Mr H as their surveyor. Their representative has made various arguments as to why he thinks Mr H needed to be appointed. I can't consider this as it falls outside the time period I'm looking at in this final decision, so I would suggest Mr and Mrs S send their reasoning to UKI to consider in the first instance and see if it will cover Mr H's fees.

Repairs

UKI explained it intended to carry out the substructure repairs before moving onto the superstructure repairs, and that's because it said further damage was almost always caused in the initial repair stage. I think this was reasonable, particularly since piling is going to take place which can cause additional damage to a property and surrounding areas. I understand an initial schedule of works was put together, but this would need to be updated after the substructure repairs are done, which UKI accepts.

Mr and Mrs S also raised concerns about the roof, but UKI said it would arrange a further inspection of the roof in due course. I also think that was reasonable.

Alternative accommodation (AA)

When UKI issued its final response letter in January 2024, it confirmed that it was paying for AA above the policy limit, and any delays would have an impact on its liability in respect of the AA.

Mr and Mrs S have a policy limit for AA which is £50,000. I understand UKI eventually paid around £150,000. UKI then withdrew this cover in June 2024 as it had paid a cash settlement for the substructure repairs.

I've considered whether UKI delayed matters between September 2023 and January 2024. Having done so, I don't think it did. The ground stabilisation scheme was put forward to Mr and Mrs S in October 2023. Mr and Mrs S chose to appoint a representative, who then contacted Mr H to obtain a second opinion about the scheme. Mr H has since confirmed his agreement with the proposed scheme.

Whilst of course it was up to Mr and Mrs S if they wanted a second opinion, I'm satisfied that UKI didn't delay matters here.

If Mr and Mrs S are unhappy with UKI's eventual decision to withdraw AA cover, they should complain to UKI about this in the first instance.

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 S to accept or reject my decision before 28 April 2025.

Chantelle Hurn-Ryan
Ombudsman