

The complaint

Mr and Mrs B complain that Accredited Insurance (Europe) Ltd declined a claim they made under their home insurance policy.

Mr B has primarily dealt with things so, for ease of reading, I'll refer to him only.

Reference to Accredited includes its agents and representatives.

What happened

The circumstances aren't in dispute, so I'll summarise the background:

- I understand Mr B bought a property in 2022 and took out home insurance for it with Accredited. Later that year, he noticed movement in the brickwork of the detached garage and got in touch with Accredited to make a claim for the damage.
- Accredited declined the claim, for two main reasons. Firstly, it said the damage happened prior to the start of the policy and, secondly, the damage hadn't been caused by an insured event, such as subsidence.
- A complaint arose and was referred to this Service. Our investigator didn't think Accredited had acted fairly. She asked it to reconsider the claim and pay compensation. It agreed to do so and the complaint was resolved in February 2024.
- After that, Accredited arranged for site investigations and a further surveyor visit. It went on to decline the claim again. It said the claim had been considered under the subsidence section of the policy, but the investigations had shown movement had begun prior to the start of the policy. It also said damage had increased since the start of the policy, but the cost of repairing it hadn't, because the garage was beyond economic repair at the start of the policy.
- Our investigator thought Accredited had acted unfairly. To put things right, she asked it to accept and settle the claim in line with the policy terms and pay compensation.
- Mr B accepted this outcome. Accredited didn't and reiterated its position. As an agreement couldn't be reached, the complaint has been passed to me.

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.

- The policy covers damage caused by subsidence during the period of insurance. And Accredited relied on a policy term which says any damage which happens before the start of the policy isn't covered.
- That means any damage caused by subsidence, which happens from the start of the

policy in July 2022, up to the time the policy ends, is covered, subject to any relevant policy terms that might exclude or limit the claim. And any damage which happened prior to the start of the policy isn't covered.

- Accredited seems to have accepted there was subsidence damage based on the findings of its surveyors. The reason for declining the claim is the timing of that damage and the cost of putting it right. So I'll focus on these points.
- There was a pre-purchase survey from early 2022. It said the garage was in need of 'significant repair'. The surveyor later clarified this related to 'items such as roof coverings, doors and windows etc and not structural movement'. I've seen photos to show rotten window frames and the door suffering from wear and tear, so I think this is the kind of thing the pre-purchase surveyor was referring to.
- In relation to the entire property, the survey said 'some very minor movement' had taken place, but there was no evidence of 'significant structural movement' and there didn't 'appear to be any significant ongoing foundational movement' at that time.
- No further information was given, so the timing of the movement is unclear. I understand the property was built in the early 1980s, so it could have occurred at any time since then. But the surveyor was clear they didn't think there was significant ongoing movement when the policy was taken out in 2022.
- Accredited has commented on potential limitations of the pre-purchase survey, such as the positioning of a greenhouse and access within the garage. As the surveyor was prepared to make detailed findings in a formal document, I'm satisfied those findings should be taken at face value unless the surveyor says otherwise. If the surveyor had been unable to reach a reliable opinion for these, or any other reasons, I expect they would have said so.
- Overall, I don't think there's any doubt this structure was suffering from a degree of damage at the start of the policy. Or that such damage isn't covered. It's also clear it wasn't suffering from significant ongoing movement at the start of the policy and the areas in need of repair hadn't been caused by structural movement – which was said to be 'very minor' in nature and had happened at some unknown time prior.
- Mr B contacted Accredited later in 2022 because he noticed damage had arisen. The Accredited surveyor inspected and agreed there had been recent damage.
- Following another inspection in early 2024, an Accredited surveyor said there was clear movement to the garage due to the cracking. They also said there had been no damage after the claim was made. I understand that to mean they thought some cracking and related damage had occurred in late 2022, after the policy had begun, due to subsidence movement – but they didn't think there had been any further movement or damage since then.
- I haven't seen any professional opinion to suggest otherwise, so that may well be the case. But that still means movement and damage occurred *after* the policy began.
- The Accredited surveyor also suggested there may have been previous underpinning and/or repairs to the garage, although they noted they couldn't see evidence of localised rebuilding or structural repairs. So the extent to which there had been previous structural problems and/or remedies, and the timing of such, is uncertain. But I don't think that makes a difference. From the pre-purchase survey, we know

there was no significant ongoing movement in early 2022. And it's been established above there was some subsidence movement and damage after the policy began.

- So, according to the policy terms, the claim is covered – because there was subsidence damage after the policy began. However, Accredited declined the claim because it said the garage was beyond economic repair at the start of the policy.
- I don't know how Accredited reached this position. Given the purpose of the pre-purchase survey, I would have thought a garage beyond economic repair would have been noteworthy – but it didn't say that. I haven't seen any estimates or calculations to show likely repair costs and values of the garage at the relevant times. So there's no evidence to support Accredited's position. As a result, I don't find it persuasive.
- Even if there was such evidence, the policy covers damage – and there's been damage. Accredited hasn't raised any policy term which might change that position and make policy cover dependent on increased repair costs or similar.
- As a result, I'm satisfied Accredited should accept the claim. It can then go on to settle the claim, subject to the remaining terms and conditions of the policy.
- It's clear this has been a frustrating and disappointing claim experience for Mr B, and I can understand why. It's taken nearly two years for the claim to be accepted, after going through the complaint process twice, and when little has changed since the early stages of the claim. He's undoubtedly been caused avoidable distress and inconvenience during the claim, so I think it's right he's compensated accordingly.
- I bear in mind Accredited paid £250 compensation as part of the first complaint settlement. I consider a further £250 would be fair and reasonable in the circumstances.

My final decision

I uphold this complaint.

I require Accredited Insurance (Europe) Ltd to:

- Accept the claim, subject to the remaining terms and conditions of the policy.
- Pay £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 3 January 2025.

James Neville
Ombudsman