

The complaint

Mr and Mrs N are unhappy with how Arch Insurance (UK) Limited have dealt with a claim for subsidence made on a Residential Property Owners policy.

What happened

Mr and Mrs N's tenant reported water ingress to the property and cracks appearing. They made a claim to Arch in 2020 as they suspected the property was suffering subsidence. Investigations were undertaken which confirmed movement at the property. Issues with the drains were repaired and the property was considered stable. Disputes have arisen around the repairs that Arch intend to include within the scope of works and the way in which the claim has been conducted.

Mr and Mrs N have made previous complaints about the claim which have been considered by the Financial Ombudsman Service under different references.

This complaint considers what has happened since September 2022, the last time Arch considered a complaint and until 24 April 2024 when it issued the final response associated with this complaint. Whilst matters have naturally moved on with the claim in the meantime and Mr and Mrs N have raised further queries with Arch. I understand a second opinion has now been sought and further monitoring has been undertaken to confirm if the property is stable, however, these will not be considered here. Nor will anything that has been looked into by this Service previously.

Within this complaint Mr and Mrs N raised the following issues:

- Repairs to the roof and other external cracks not being carried out, which they maintain are related to subsidence.
- Repairs have taken longer than expected.
- Not being kept informed about the progress of repairs and the property not being clean for the tenants return.
- They were not told that the alternative accommodation limit of the policy had been reached.
- Communications have been delayed and limited in content. Telephone calls aren't answered, claims handlers aren't available, and messages aren't responded to.

In its complaint response, Arch admitted there had been delays in the claims process and a lack of clear communication with Mr and Mrs N. It accepted they'd had to raise repair issues and the service they'd received was poor. It offered them £400 compensation. In relation to the roof and external crack repairs, it said while it still thought they were maintenance issues, it couldn't rule out them having been exacerbated by the property's movement and so it would now complete those repairs.

Mr and Mrs N didn't agree with Arch's findings. An Investigator looked at the complaint and felt that while there had been failings by Arch, she thought its offer of £400 compensation was fair and reasonable.

Mr and Mrs N remained unhappy and asked for an Ombudsman to review the complaint. In doing so they reiterated many of the points they had previously made.

The complaint has been passed 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.

I understand Mr and Mrs N have strong views about what has happened. I want to assure them I've read and considered carefully everything they've said. However, my findings focus on what I consider to be the central issues, rather than assessing each and every point raised. This isn't meant as a discourtesy. The purpose of my decision isn't to address every single point the parties have raised or to answer every question asked. My role is to consider the evidence presented by Mr and Mrs N, and by Arch, to reach what I think is a fair and reasonable decision based on the facts of the case.

For ease I have set out my findings under subheadings below.

Roof and other external cracking

The previous complaint considered by this Service looked at the evidence Mr and Mrs N had obtained from various roofing companies and Arch's response. It was concluded that Arch's position not to include repairs to the roof or other external cracks was reasonable. I haven't seen any evidence produced in the meantime by Mr and Mrs N, from an expert of a similar standing, to question that position further.

Mr and Mrs N have said since this complaint has been with this service, a second loss adjuster has confirmed the roof damage, and external cracks are subsidence related. I can confirm I haven't seen this report or considered it in my determination of this complaint. I can only consider what was known at the point Arch issued its complaint response in April 2024. Whilst I understand that Arch is now prepared to fix the roof and other cracks, if Mr and Mrs N remain unhappy, they'd be free to make a new complaint based on any new information that has now become available.

I understand Mr and Mrs N were also unhappy as repairs to the property took place without repairs to the roof being made, which consequently resulted in further water ingress and damage. However, as I have set out above, I'm satisfied Mr and Mrs N were made aware at that time that the roof/crack repairs weren't being covered or completed alongside the other repairs which were taking place. And I can see from the file previous conversations had taken place regarding the roof repairs being arranged privately.

I think there was some degree of inevitability about further water ingress happening if the roof and other crack repairs hadn't taken place, and this essentially comes down to whether those were insurable works or not. I can understand why this has added to Mr and Mrs N's frustration about the claim progress and how this links in with their argument about the property not being stable. However, there is a balancing act for an insurer here, moving a claim along for insured works or refusing to do any work until other repairs have taken place. And the latter position in itself wouldn't necessarily be considered favourable. Here it would have meant the tenant having to live in a damaged property for longer as the parties had

reached an impasse.

It appears in response to this complaint, Arch agreed to cover outstanding repairs to move things forward and help bring the claim to a close. I don't rule out the possibility that it could have made this decision earlier as a gesture of goodwill, prior to any repairs taking place, which would have avoided any of the further damage happening. However, based on the evidence available to it and strictly under the policy terms, it didn't have to as the works weren't covered. In the circumstances, I'm satisfied it wasn't an unreasonable position for it to take.

Alternative accommodation ("AA")

Mr and Mrs N's tenant was moved into AA in August 2023. In October 2023 a new AA property was required as it was noted the tenant had a cat in the property which wasn't allowed. Due to delays in repair works starting and their completion, the rental of the new property was extended multiple times, sometimes at very short notice. Mr and Mrs N said that this caused their tenant distress and inconvenience, not knowing what was happening and having to arrange, and then cancel removal vans.

The property was deemed habitable towards the end of January 2024 and the tenant moved back in shortly after.

I realise it would have been upsetting for Mr and Mrs N's tenant and they would have been caused inconvenience by the changing dates. However, I can't consider the distress or inconvenience caused to them in this decision. This is because they are not party to the contract, only Mr and Mrs N and Arch are. Arch's liability is to pay for the AA for as long as it is required, or the policy limit is reached. It has done so here. I do however recognise that Mr and Mrs N would have been drawn into those discussions with their tenant. I have taken this into consideration when thinking about the distress and inconvenience Mr and Mrs N have been caused.

When Mr and Mrs N wrote their complaint, their tenant was still in AA. The property hadn't been cleaned and there were ongoing issues to be resolved. The on-going issues which hadn't, at the time Mr and Mrs N wrote their complaint, been resolved, aren't for consideration in this complaint, but I can understand the ongoing frustration Mr and Mrs N have experienced.

Mr and Mrs N have said they are unhappy they weren't made aware the monetary limit for AA covered by the policy had been reached. This isn't something I'd usually expect a policyholder to be informed of unless it was a pressing issue. Here it appears it coincided with the property being deemed habitable and therefore AA no longer being required, so arguably there was no need for this to be raised with Mr and Mrs N.

I understand Mr and Mrs N have since asked for a breakdown to understand how that amount has been spent, Arch has been asked to provide this.

Service

It's clear from Mr and Mrs N's submissions that they have found the claim process stressful, and this wasn't helped by the admitted lack of clear communication. Mr and Mrs N had to raise issues with the standard of the repair works and the state in which the property was left in.

I'm mindful that, as landlords, Mr and Mrs N would be classed as commercial customers and as such given they weren't living in the property themselves, their level of distress would

have been reduced. However, I do recognise that Arch's failings still would have had an impact on them and caused inconvenience over and above what you would usually expect from a claims process.

Arch has offered Mr and Mrs N £400 compensation. For the period, and the upset caused which I am considering in this complaint, I think this is a reasonable amount which reflects the considerable inconvenience and extra effort Mr and Mrs N have been caused by Arch's failings. I won't therefore be increasing this amount.

My final decision

My final decision is that I do not uphold Mr and Mrs N's complaint against Arch Insurance (UK) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs N to accept or reject my decision before 14 April 2025.

Alison Gore
Ombudsman