

The complaint

Mrs P and Mr P complain about Tesco Underwriting Limited's proposed settlement of a home insurance claim.

What happened

The background to this complaint is well known to both parties, so I'll provide only a brief summary here, concentrating on the key issues.

Mrs P and Mr P have a home insurance policy underwritten by Tesco Underwriting Limited which covers their home and its contents amongst other things. They made a claim in early 2022 after noticing cracks and other damage to their conservatory.

After a fairly lengthy period of monitoring and inspections of the property, Tesco appointed a company (I'll refer to them as G) to carry out work to stabilise the ground underneath the conservatory. This took place in January 2024 and appears to have involved injecting resin into the soil.

Mrs P and Mr P have made previous complaints about the inspections and delays in the progress of the claim, but they aren't something I'm considering in this decision because Mrs P and Mr P didn't bring those complaints to us.

After the work was completed by G in January 2024, Mrs P and Mr P told Tesco the conservatory was still moving, and the cracks and other damage were getting worse.

Tesco's surveyor inspected the property in March 2024. Their conclusion was that the ground was stable and repairs to the damage in the conservatory could now be carried out.

Before a scope of works could be proposed, Mrs P and Mr P made it clear to Tesco that they didn't agree that repairs should be carried out, because the conservatory was still moving and the cracks getting worse.

Mrs P and Mr P want Tesco to pay for the rebuilding of the conservatory – with adequate foundations to keep it stable. They've provided a quote from a builder to replace the conservatory like-for-like for around £21,000. But Tesco maintained that repairs were the appropriate resolution of the claim.

Mrs P and Mr P complained to Tesco about their decision to go for repairs as the settlement of the claim rather than a rebuild. And when Tesco maintained their position, Mrs P and Mr P brought their complaint to us.

Our investigator looked into it and didn't think Tesco had sufficient evidence at present to say that the groundworks carried out by G had been completely effective.

He thought Tesco should monitor the level of the ground underneath and around the conservatory for a period of time. That would allow a reliable assessment of whether the conservatory was still moving – and on that basis, a decision as to whether the conservatory can be repaired or needs to be rebuilt.

Tesco disagreed and asked for a final decision from an ombudsman.

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.

This is on the face of it a reasonably straightforward case. There's no dispute about the validity of the claim. There's no dispute about the policy terms. And there's no dispute that Tesco have an obligation to deliver an effective and lasting resolution of the claim.

The point of contention here is simply whether the ground is now stable underneath the conservatory – following G's work.

If so, Tesco would be entitled to propose a scope of works for repairs to the cracks and other damage in the conservatory. If not, then more would have to be done to stabilise the ground and/or rebuild the conservatory with effective foundations.

Tesco say G's work comes with a guarantee. And they say G monitored ground levels during their works.

Whilst that's true, G were primarily monitoring levels to ensure their work hadn't caused any uplift in the conservatory (which they hadn't). They weren't looking primarily for any on-going downward movement. Also, their monitoring didn't continue after their work was completed – which is when Mrs P and Mr P say the conservatory continued to move.

It's slightly surprising that Tesco objected to our investigator's proposed outcome to this case, because it was their loss adjuster who said that further level monitoring could be carried out.

And in their response to our investigator's view, Tesco said they didn't disagree with what was being proposed.

We thought Tesco might therefore agree the way forward in this case – which is the main thing – but object simply to the idea that we were upholding the complaint (I'll address this more fully below).

Tesco did say they thought upholding the complaint would be unfair because level monitoring isn't – and shouldn't be – routinely necessary after groundworks had been completed, so it would be unfair to say they'd acted unreasonably when they didn't do it in this case.

Our investigator asked Tesco to clarify their position for us but got no reply – even after chasing it up. So, it's necessary for me to issue a final decision now in order to bring the case to a satisfactory conclusion and to *require* Tesco to do the level monitoring, as they appear to have agreed.

In short, Mrs P and Mr P say the cracks in their conservatory have continued to get worse after the work carried out by G. And they've provided photographs which they say shows that to be the case.

Tesco say Mrs P and Mr P have been seeking payment for a complete rebuild of the conservatory from the outset and would never have accepted a scheme of repairs.

But Tesco have no evidence to suggest that Mrs P and Mr P are wrong when they say the

conservatory is still moving. Whether Mrs P and Mr P had their minds set on a new conservatory or not is largely irrelevant.

The question is whether future level monitoring is the way forward to resolve the matter – and to determine whether the fair outcome to this claim is repairs or a complete rebuild.

Putting things right

Mrs P and Mr P have agreed to the level monitoring being undertaken. And I'm satisfied that is the sensible and fair way forward to a full and proper resolution of their claim.

No doubt Tesco will take expert advice as to the appropriate length of time for the level monitoring to take place. And once that is completed, it will be clear whether the works carried out by G have put a stop to the ground movement and the conservatory can reasonably be repaired.

For Tesco's benefit, I should point out that the complaint will be regarded as an uphold, with a change in outcome, because they didn't propose level monitoring (which I'm satisfied is the appropriate course of action) in response to Mrs P and Mr P's complaint – they simply maintained their decision to proceed to repair of the conservatory.

I'm aware it's not usual for level monitoring to be undertaken after remedial works have been undertaken. But in this case, Tesco were told by Mrs P and Mr P that the damage in the conservatory was getting worse *after* G's work was completed. Tesco did then attend the property again but didn't properly assess the alleged changes in the cracks in the conservatory and/or collect any evidence to suggest the conservatory was now stable.

My final decision

For the reasons set out above, I uphold Mrs P and Mr P's complaint.

Tesco Underwriting Limited must undertake a period of level monitoring at the property to properly determine whether the ground movement is continuing following G's groundworks or not.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 20 January 2025.

Neil Marshall
Ombudsman