

The complaint

Miss R complains about Ageas Insurance Limited (“Ageas”) and its handling of her claim for damage to her tenanted property following the collapse of a retaining wall.

Any reference to Ageas in this decision includes its appointed agents and representatives.

What happened

In February 2021, the retaining garden wall collapsed at a property Miss R owned and had let out to tenants. Miss R made a claim to Ageas but became unhappy with the progress of the claim. She said Ageas had failed to communicate with her, caused numerous delays and caused her a financial loss as well as distress.

She said she had lost out on rent, having to charge her tenants less as they were unable to use the garden at the property due to the damage.

The collapse of the wall had also caused damage to the neighbouring property. And Miss R was finding it stressful having to deal with the neighbour who was becoming increasingly aggressive and uncooperative.

In its response to Miss R’s complaint, Ageas said the claim was complex, and as the wall belonged to six properties, there were several parties involved which was a major contributory factor in the delays caused. It acknowledged that there had been a lack of swift responses or proactive communication on Ageas’s part and offered Miss R £550 compensation for the distress and inconvenience caused by its failings.

Miss R didn’t accept Ageas’s response, so she referred her complaint to this service. Our Investigator considered it, but thought Ageas’s offer of compensation was fair in the circumstances. Because Miss R didn’t agree, the complaint has now come to me for an Ombudsman’s 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.

As this is an informal service, I’m not going to respond here to every point raised or comment on every piece of evidence Miss R and Ageas 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 parties that I have considered everything submitted. And having done so, I’m not upholding this complaint. I’ll explain why.

The insurance industry regulator, the Financial Conduct Authority (FCA), has set out rules and guidance about how insurers should handle claims. These are contained in the ‘Insurance: Conduct of Business Sourcebook’ (ICOBS). ICOBS 8.1 says an insurer must handle claims promptly and fairly, provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress, and not unreasonably reject a

claim. They should also settle claims promptly once settlement terms are agreed. I've kept this in mind while considering this complaint together with what I consider to be fair and reasonable in all the circumstances.

I've looked at the overall timeline of the complaint, which has helpfully been provided by Miss R. I should say at the outset that I can only consider the period of time between the final response letter dated 31 December 2021 and the final response letter dated 5 April 2024 – as Miss R didn't refer her earlier complaint to this service within six months of the date of the December 2021 letter.

I've looked at Miss R's claim for losses she's incurred due to having to charge her tenants less than she would've, because they can't use their garden. Miss R's policy says that loss of rent will be covered in the event the property becomes uninhabitable. I'm afraid that where there is no use of a garden, we don't generally consider the property not fit for habitation. So I won't require Ageas to cover the loss Miss R has incurred in rental income – as that's not something her policy provides for.

It's clear that this claim was far from straightforward, with several parties and properties involved, as well as other issues including the inadequacy of the buildings sum insured, and the added complication of uncooperative neighbours.

I can also see from all the information provided, that Ageas didn't always handle the claim promptly, or give suitable updates to Miss R on the claim's progress. This clearly impacted Miss R, and the claim has been ongoing for over four years now, (although as I've said, I can only consider the period mentioned above, of just over two years). Whilst this does appear excessive, claims of this nature can take considerable time to resolve for a number of reasons, and I can't fairly say that the entirety of the two years I'm considering consists of delays and issues that were all unavoidable.

There were however, undoubtedly, delays in Ageas's handling of the claim during the time period I'm considering. I can see that there were changes within its team, as one claim handler left and another took over, which caused some delays. There were also delays when confirmation of instructions was being sought internally but this authorisation wasn't received for over two months. There were also numerous issues regarding the other properties affected, and the inadequacy of the buildings sum insured.

Further issues were caused by two of the six insurers declining claims, and another insurer delaying making a decision on liability, which meant at least two of the properties and potentially more, would need to fund their portion of the required work privately.

I've looked closely at what Ageas has done to try to resolve the issues it was presented with. I can see that it considered stabilising and reinstating Miss R's portion of the wall in isolation as this wouldn't have required agreement from third-parties. However the cost of doing so would've exceeded the policy limit so this wasn't a viable option.

Ageas also considered going above and beyond its obligations under the policy by arranging to reinstate the whole wall and recovering costs from third-parties. But as it has no obligation to do so under the policy and the costs of doing so would again go far beyond the policy limit, without any guarantee it would be able to successfully recover those costs, this also wasn't a viable option.

Ageas also considered offering Miss R a cash settlement, but this would leave Miss R to have to arrange everything herself. However, it made clear that if Miss R was to accept this, then it would be happy to settle the claim on this basis.

The neighbour's attitude towards Miss R and her tenants throughout the claim is not something I can hold Ageas responsible for. Whilst I accept this must've been incredibly distressing for Miss R and her tenants, I don't consider there was anything further Ageas could reasonably have done in the circumstances to control the behaviour of a third-party. I'm satisfied it tried its best to mediate with the neighbour to come to a solution but had to explain it wouldn't communicate with him further when it was no longer productive or reasonable for it to do so. I think it acted fairly in the circumstances.

Overall, I can see mistakes were made by Ageas – but I also consider there were numerous times during the claim where it did all it could, in extremely difficult circumstances that meant the claim simply could not be progressed as everyone concerned would've liked, for reasons outside its control. While it's not my role to help progress the claim going forward, I have considered how Ageas has handled the claim during the two years and three months I'm considering. And whilst I don't consider Ageas was responsible for all the delays – as some of these were an unavoidable consequence of the complex nature of the claim itself, I do think it made a number of errors which impacted Miss R and contributed to the distress and inconvenience Miss R experienced – for which she should be compensated.

As well as the delays in the claim, I've also considered the added inconvenience Miss R experienced due to Ageas's actions. She's said, among other things, that she had to go to significant effort herself to obtain a design and quotation for meshing of the bank for all the affected households – something I agree she shouldn't have had to do. She also felt that no reason was given as to why the quotation she obtained wasn't proceeded with.

I've also read the large amount of correspondence Miss R had to send, in order to move things forward or complain about the lack of progress on her claim. I appreciate she spent an inordinate amount of time doing this, which shouldn't have been required. I don't consider all of Ageas's responses and the time taken to progress matters to have been acceptable – but I appreciate Miss R disagrees with the level of compensation this warrants.

It's always going to be challenging to put a figure on the distress and inconvenience suffered by a customer when things go wrong with an insurance claim. Miss R can look at our website for examples of how we make awards for distress and inconvenience. In this case, where the delays caused by Ageas amounted to some months without progress, I consider the offer of £550 compensation to be fair and reasonable. An award of this amount reflects the fact that Ageas's actions during the two years I'm considering, caused Miss R considerable upset, trouble and disruption which meant she had to go to extra effort to try to sort things out. The impact for her and her tenants may have lasted over several years, but I'm persuaded that Ageas was responsible for a few months of delays during the time period I'm considering.

I've considered all the comments Miss R has made in response to our Investigator's view. She's said, among other things, that Ageas took 8 months to accept liability, that all the options weren't discussed with her, and that Ageas only referred the matter to its Engineering and Technical Manager after her numerous emails complaining about their non-responsive loss assessor. But I'm afraid I can't consider the delay in Ageas accepting liability, as it did so outside the time period I can consider in this complaint. In relation to the options available and Ageas communicating these, I can see from the claim notes that these were discussed with Miss R, though at the time she wanted the wall reinstated and didn't want a cash settlement. So I can't say Ageas acted unfairly by not pursuing the cash settlement option. It's also not my role to explain why certain things happened, or to find a solution for the parties, frustrating as that may be for Miss R.

As Ageas has offered compensation of the amount that I'd award had no offer been made, I won't require it to do anything further in relation to this particular complaint. I realise this will

be disappointing for Miss R. And whilst I can't ensure this happens, I'd expect Ageas to make clear to Miss R what the viable options are going forward – even if this may not be what Miss R wants.

If Miss R remains unhappy, she can refer a further complaint or complaints to this service about ongoing matters if she so wishes – and these will be considered separately, subject to the usual rules and time limits that apply.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 11 May 2025.

Ifrah Malik
Ombudsman