

## **The complaint**

Mr and Mrs F complain HDI Global Specialty SE (“HDI”) didn’t handle a subsidence claim against their home insurance policy fairly.

Reference to HDI include the actions of its agents.

## **What happened**

I issued a provisional decision. I said:

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

In October 2022 Mr and Mrs F claimed against their home insurance policy for subsidence. HDI accepted the claim in November 2022. Investigations into the cause of the subsidence went on into 2023, and it was agreed drainage repairs were needed, which included the installation of a new soakaway. In November 2023, just before the repairs were due to start, Mr and Mrs F were told they would need to pay for the new soakaway. This led to the repairs being postponed and Mr and Mrs F complained.

Mr and Mrs F’s complaint is three-fold:

- 1) they don’t consider they should be responsible for paying for the new soakaway;
- 2) there was a lack of progress with their claim and poor communication; and
- 3) their home insurance premiums have increased significantly.

I will consider (1) and (2) in turn. The third is the subject of a separate complaint with our Service and so I will not consider it as part of this decision. I will also limit my considerations to the date of HDI’s final response letter, 28 December 2023. If Mr and Mrs F are dissatisfied with the handling of the claim post this date, it will need to be a separate complaint.

### **1) The new soakaway**

The investigations established the subsidence was caused by defective drains. The stormwater downpipe on a corner of the property was cracking and blocked. It was decided the repairs would include excavating and renewing the downpipe and connecting pipe and installing a new soakaway from the connecting pipe. HDI says Mr and Mrs F are responsible for paying for the new soakaway.

My understanding is Mr and Mrs F don’t necessary argue the soakaway should be covered by their policy, but that as they were told by HDI repeatedly it would be, HDI should stand by that. I recognise their point of view and will take the misinformation and loss of expectation into account when deciding fair compensation. But I must be satisfied the policy covers the cost of the new soakaway to fairly require HDI to include it as part of the claim.

The reports I've seen suggest the renewed down/connecting pipe couldn't be connected to an existing soakaway(s) because it'd failed, so there was the need to install a new one. HDI argue the existing soakaway(s) failed because it'd become choked with debris over time and/or hadn't been adequately maintained and/or had reached the end of its serviceable life, which I understand is generally between 10 and 25 years.

I'm persuaded by these arguments because all the reports I've seen confirmed it'd failed, and the reason(s) this happened is more likely than not wear and tear related as there is little scope, and no compelling evidence to show, the failure(s) was because of another reason, such as accidental damage. As the policy excludes wear and tear, and lack of maintenance, I'm not satisfied the policy does cover the installation of a new soakaway.

## 2) The claim handling

Mr and Mrs F made the claim in October 2022. By the time HDI's response was issued in December 2023, the repairs still hadn't started. So I agree there was a lack of progress. I've also reviewed the communication between the differing parties and I can understand why Mr and Mrs F were frustrated. And I find it was reasonable for Mr and Mrs F to be surprised and disappointed to find they would need to pay for the new soakaway so late on.

HDI accepted its service fell short. It apologised and offered them £200 compensation. HDI also recognised it should have explained to Mr and Mrs F the position with the new soakaway much earlier and offered a £400 contribution towards its cost. Given my finding for (1), HDI has therefore in effect offered Mr and Mrs F £600 compensation for the poor customer service. I find that fair and reasonable in the circumstances.

### My provisional decision

I uphold this complaint and require HDI Global Specialty SE to pay Mr and Mrs F the £600 it has offered them (if it hasn't already done so)."

HDI accepted my provisional decision. Mr and Mrs F replied to say, in brief, the claim took too long, that HDI should have paid for the soakaway as it agreed to, and the compensation isn't a fair amount given the time and distress caused by HDI's failings.

### **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.

Having done so, while I acknowledge Mr and Mrs F's comments, I remain of the opinion £600 compensation fairly and reasonably resolves this complaint, for the reasons I set out in my provisional decision.

### **My final decision**

I uphold this complaint and require HDI Global Specialty SE to pay Mr and Mrs F the £600 it has offered them (if it hasn't already done so).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs F to

accept or reject my decision before 24 March 2025.

James Langford  
**Ombudsman**