

The complaint

Mr H complains that Soteria Insurance Limited trading as Co-Op Insurance has unfairly handled his claim made for subsidence damage to his property.

What happened

Mr H made a claim for subsidence damage to his property in 2019 and there has been concerns raised about a number of issues throughout the claim journey.

This complaint relates to issues complained about by Mr H in late 2023. These were addressed by Co-Op in December 2023 with two final responses issued on 18 and 22 December 2023. Mr H was unhappy with the following:

- The external render applied to his property,
- What Co-Op had offered to complete the internal paintwork,
- Cleaning costs that he says he's incurred because of how the contractors looked after the house during the works and the condition it was returned in,
- The overall claims handling.

Co-Op across its two responses, felt there had been some issues with its communication and claims handling and this added frustration to the claim which could have been avoided. In recognition of this, it paid Mr H £150, but it didn't think it needed to do anything else.

Our investigator looked at this complaint and highlighted that despite concerns and other complaints made previously during this claim, they were only considering what was addressed in the two final responses issued in December 2023. This is because any complaints made previously and addressed by Co-Op had not been referred to this Service within six months of the final responses issued.

There were no exceptional circumstances which stopped these complaints from being brought sooner and as they had been brought too late, we could not consider what happened previously. There was no disagreement on what could be considered and the investigator explained why, when considering what they could, that Co-Op needed to do something to put things right.

Our investigator said they had considered the approach taken by Co-Op with the external rendering applied. They didn't think it acted fairly when saying it couldn't do more to ensure the new render matched the old. The old render was a pebble dash mix of black, brown and white pebbles. The new render used by Co-Op's contractor was a white pebble dash.

They didn't agree with the comments made by Co-Op that the render would gradually match in overtime with weathering and it should have done more to find a suitable match. Mr H has said he is happy for the side of the house with the affected render on it to be painted one colour, matching up the mis-matched render. Our investigator said this was a pragmatic solution and recommended Co-op take this remedial action.

They considered the comments made by Mr H about the internal decorating and whether

Co-Op had acted fairly when only offering a cash settlement for the remainder of the woodwork painting. They didn't think this went far enough as Co-Op's contractor had started the work and left it half finished. They felt it was fair for the Co-Op to return and complete the work, or pay Mr H what it would cost him to have this completed and not be limited in its liability to what it would have cost it, as it hadn't finished the work.

Consideration was given to whether it was also fair to ask Co-Op to contribute to the decorating costs in the other areas of the property, even though there was no matching set provision within the policy for the claim. They didn't think this needed to happen as they weren't persuaded the painting now required would result in a mismatch.

With the cleaning costs and added frustration, they were satisfied on the information provided, that Mr H's property was left with dust in areas which had been said to be sectioned off. So, despite Co-Op saying it had kept these areas away from the main dust and debris of the repair work, it was fair that it compensated Mr H for the added inconvenience of needing to clean these areas after Co-Op didn't provide for this with the cleaning costs it authorised. They recommended increasing the total award paid for distress and inconvenience on this claim to £500 to reflect this.

Mr H accepted the recommendation made for the pebble dash and cleaning costs and inconvenience added. But he felt it was fair to expect Co-Op to make a contribution to the cost of the internal painting. The new areas of woodwork will be different to the old and the paint would not be an exact match to what was there before. And the paint chosen was not a white but a grey colour as the previous paint, which pre-dated Mr H owning the house, was likely not white because of its age now.

Co-Op disagreed with our investigator's findings. It said it had acted inline with its policy terms when completing the work to the pebbledash as it had. It would not be fair and reasonable for it to do more and the policy wording highlights that it might not be practical to precisely restore the external appearance with any repair work.

It felt the cash settlement offered for the internal paint work is the fairest option. It didn't agree a mismatch would be created and the number of unaffected areas meant it would be unfair for it to be expected to cover any additional costs towards these being redecorated.

It also felt it had evidenced that it had taken reasonable measures to keep the house as clean as possible during the repairs and it wouldn't be fair to ask it to pay Mr H to clean his own home.

Our investigator maintained their outcome that it was fair and reasonable to ask Co-Op to:

- Paint the outside wall of Mr H's property where the repair to the pebbledash has not been completed as it should have been. If it chooses to cash settle this, it will need to ensure this is at the cost it would be to Mr H and any invoice he produces for the work.
- Return to complete the internal decorating to the woodwork left unfinished. If it is unable to do this, it will need to pay a cash settlement inline with the cost Mr H will incur for the work to be completed and not rely on the cost it would have incurred when Mr H has not asked for a cash settlement.
- Pay Mr H an additional £350 bringing the total award for the distress and inconvenience of this matter to £500.

Because both Mr H and Co-Op disagreed, the complaint was referred for 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.

I've decided to uphold this complaint, for much the same reasons as our investigator. I know both sides may be disappointed by this approach, but I'll explain why it is fair Co-Op needs to go further to put things right.

As our investigator has, I'll deal with each area of this complaint in turn for ease of reference.

Exterior pebbledash

Co-Op has said it doesn't think it needs to do more with the repair here and has quoted the policy conditions which it thinks are relevant to limiting what it needs to do. Page 31 of the policy book says under section D:

"For the purpose of settling any claim, we will treat a repair or replacement which is as near as is reasonably possible as suitable even though the former appearance or condition of the property may not be precisely restored."

Co-Op also feels that the repair it has completed will weather over time and although being visibly different now, this will gradually become less apparent.

The clause relied on by Co-Op is a relatively common clause and it would not be unreasonable to rely on this if the repair completed is as near as is reasonably possible to the existing item. However, it is this which I think Co-Op has failed to demonstrate and it is not fair or reasonable to say the colour of the pebbledash used as its repair is as near as is reasonably possible to rely on.

The existing pebble dash applied to the external render is a mix stone with brown, black and white pebbles throughout the render. The appearance of this will have changed overtime and be impacted by the surrounding environment and weather. But as a starting point, there is a blend of colours which are reasonably going to be darker than a white stone only mix.

Co-Op has not explained it was unable to use a mixed pebbledash when repairing Mr H's property or that in the absence of this, the white mix was as near as it was reasonably possible to get. So, I don't think it has been demonstrated it has acted fairly when making the repair it did. It follows that when this repair is so visibly different to the current render of the property, that it is fair it takes steps to rectify this.

As with our investigator, I don't think it is fair to say overtime weather and environmental conditions will significantly reduce this. And when I don't think Co-Op made a repair which was as near as is reasonably possible to the existing render, it is unfair to rely on the exclusion which allows for a difference in the appearance and condition of the property after the repair. So it will need to take steps to rectify this and the proposed solution of painting the whole of the external wall is a fair and reasonable option.

Internal painting to woodwork

Mr H thinks Co-Op should be making a contribution to his additional decoration costs as the decorating needed as a result of the claim will result in a difference in colour with some of the woodwork in the property.

It has been explained previously that Mr H's policy, at the time of the claim, did not include matching sets cover within it. And despite our investigator's initial assessment of the damage and work needed to put things right, they didn't think Co-Op needed to apply this principle in the absence of the cover. But they felt it was fair for Co-Op to either complete the work it started previously, or if cash settling the claim, pay Mr H what it will cost him to have the work completed.

As a starting point, it is clear that Co-Op needs to do something to put things right here, even if this doesn't go as far as accepting any liability under the matching sets principle. Its agent has left work incomplete and instead of offering to complete this work, has only offered a cash settlement inline with what it would cost it to complete this. This is not a fair and reasonable approach to take. The policy terms explain the liability of a claim will be limited to this cost if a repair is offered, but when it is not, it is not fair to limit the costs available to Mr H to what it would cost Co-Op.

So Co-Op will need to either complete the remaining decorating work at Mr H's property or in the absence of this being something it is able to do, cover the cost Mr H incurs in having this completed.

I understand Mr H feels this should be increased to contribute towards the cost of all of the woodwork in the property being redecorated as the colour will not match what is there. Part of the explanation on why this is difficult has highlighted the period of time the previous paint has been in situ. Mr H has said this colour predated him being in the house and while it once may have been white, it could have faded overtime to the off-white colour it currently is. The new colour chosen is a shade of grey and does not match the previous colour of the existing woodwork.

Co-Op has highlighted the work required throughout the property. It says if everything was to be redecorated, it would not just affect the undamaged/related woodwork in the hallway, but also the first and second floor stairways and landings. It would be unreasonable for it to contribute to the cost of these areas being redecorated when the policy does not include this provision. It also felt the colour was a reasonable match not to be an issue with mismatch anyway.

I think it is fair to say there is a difference in the colour of the paint used. But insurance is intended to cover the loss or damage resulting from specified events, called perils. And the damage should as far as is possible, be rectified to the pre-loss condition. It is not intended to provide betterment. The colour for the repair work was chosen by Mr H and agreed with him and Co-Op and with this being different to the existing colour, it would not be fair and reasonable to expect Co-Op to cover a percentage of the cost as this is changed throughout the unaffected areas of the house.

Overall, I agree it is fair Co-Op take steps to put things right here, but it will be limited to the affected areas only and not the unaffected areas of the house.

Cleaning costs and inconvenience

Co-Op feels it has demonstrated that it took reasonable steps to protect the unaffected rooms in Mr H's house and it's unfair for it to cover the cost of inconvenience when he needed to do more on his return to clean these areas.

As I've set out above, the insurance should as much as possible, return Mr H's home to him in the same condition as it was pre-loss. Mr H has demonstrated that despite the measures taken by Co-Op and its contractors when the property was being repaired, there was fairly significant levels of dust in the unaffected rooms on his return.

This coupled with the issues with the internal decorating and ongoing dispute about what should be done by Co-Op with this and the external render, will cause frustration and distress that could have been avoided. While some inconvenience is expected with a claim of this nature, Mr H was not expecting to need to undertake the cleaning he had to the areas he did when these were supposed to be blocked off from the risk of damage and dirt. The measures taken clearly didn't work and he's needed to do this when it could have been avoided.

Overall, I agree increasing the award to £500 in total for the added inconvenience with the handling of this claim is fair. This is not awarded simply to cover the time Mr H has taken to clean his own home. But instead, to recognise that the handling of the claim with errors made with delays and additional inconvenience, has gone beyond what is reasonable to expect.

Putting things right

To put things right, Co-Op will need to do the following:

- Paint the external wall of Mr H's property, removing the visible scar of the mismatch pebbledash used in its previous repair. If it chooses not to do this, it will need to cover the cost of the repair to Mr H upon receipt of his invoices provided.
- Complete the internal decorating work to the affected areas of the property. Again, if it cannot complete the work, it will need to ensure any cash settlement offered meets the cost Mr H incurs, to be paid on receipt of invoice.
- Pay £500 in total for the added distress and inconvenience to this complaint. If it has already paid the £150 offered in its final responses from December 2023, it need now only pay the additional £350.

My final decision

For the reasons I've explained above, I uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 April 2025.

Thomas Brissenden
Ombudsman