

## The complaint

Mrs T is complaining about the way QIC Europe Ltd has handled a subsidence claim she made on her buildings insurance policy.

Mrs T has been represented by a solicitor firm in the handling of the claim and complaint. But, for ease of reference, I shall refer to anything the solicitors has said as being by Mrs T.

## What happened

In December 2018 Mrs T noticed her sun lounge was suffering with internal and external cracking, so she contacted QIC to claim for the damage against her buildings insurance policy. She's unhappy with the way QIC has handled the claim.

This Service previously considered a complaint which was resolved in October 2019. In November 2023 Mrs T raised a further complaint with QIC as she said works still hadn't been completed. QIC upheld her complaint and agreed it had caused some delays and offered her £1,000 in compensation. Mrs T didn't think this was sufficient. So she referred her complaint to this Service.

In July 2024 QIC made a further offer through this Service to also pay any increased heating costs Mrs T can demonstrate she has incurred.

Our Investigator upheld this complaint and she said the following:

*"I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of the complaint. When investigating this complaint, I've considered the comments of both parties. Please note that while I've read and considered all arguments, I won't be responding to every point raised. This isn't intended as a discourtesy to either party but reflects the nature of our service. When investigating the complaint, I will be acting as an impartial party. This means I won't be acting on behalf of either party.*

*I've considered the claim timeline alongside all the other information available and it's clear there has been significant delays caused by the insurer and I've found delays of approximately over two years caused by QIC which were avoidable.*

- In July 2020, Mrs T provided her expert's report to be reviewed by QIC as new evidence for the claim. QIC confirmed this was received in September 2020. From the claim timeline, I can see QIC only appointed a surveyor to review this in March 2021 and explained the insurer would be keeping their stance. It's unclear why it took QIC many months to review the report.*
- When Mrs T's solicitor contacted QIC in July 2021 to request the scope, I can see QIC only arranged a joint site visit months later in November 2021. It's unclear from the claim timeline why there was a delay during this period.*
- In November 2021, a joint visit took place with both parties at the property. In the report I can see there was a potential issue raised regarding Mrs T's neighbour granting access via their garden. The surveyor confirmed he would discuss the works required with the senior surveyor. Mrs T's surveyor chased for an update in January 2022 after receiving*

no update, QIC confirmed they needed to attend the property again. Looking at the timeline between November 2021 and November 2022 when the scope was approved by QIC, I can see there was little movement in the claim. While I appreciate part of the delay during this period was due to Mrs T wanting to take court action against QIC due to the handling of the claim, I think part of the delay during this period was because of avoidable delays. Looking at the claim timeline, it's not clear why QIC took many months during this period to approve the scope by their contractor.

- I can see another joint visit was arranged in February 2023, from the claim timeline, it's unclear why there was a delay between November 2022 and February 2023. I think QIC should've arranged this site visit sooner and again it's unclear why there was a delay here.
- In February 2023, I can see Mrs T was told repair works would start in April 2023 and I can see Mrs T was repeatedly asking QIC for updates. I can see she wasn't provided with an update until September 2023 where the insurer confirmed they needed building control to confirm what planning application was required. QIC appointed BDI in January 2024 to design plans in the sunroom and attended the property in February 2024. Again, it's unclear in the timeline why QIC didn't appoint BDI sooner.
- I can see the planning application was submitted to building control in March 2024 by QIC or QIC's contractor. Between March 2024 and May 2024, QIC informed Mrs T she had to provide information to building control, however Mrs T questioned this as it was unclear what information she needed to provide. QIC contacted building control in May 2024 and they confirmed they received the application in March 2024. I think QIC should've confirmed this earlier with building control to avoid further delays and to avoid earlier confusion about what information Mrs T needed to provide. It's understandable why Mrs T would've been frustrated and distressed with the significant delays and confused with what information she needed to provide to progress the claim.
- In June 2024, QIC received confirmation from building control that the plans have been approved and repair works were able to commence at the property. I can see QIC contacted Mrs T regarding the blinds and carpet in July and told her they didn't have a contractor for this, so asked Mrs T to get a quote from an external company and they would review this to pay a cash settlement for this part of the claim. I don't think this is unreasonable as it's common insurers would offer this option if they didn't have a contractor available. Between June 2024 and 12 August 2024, regarding the external works, I can't see evidence of any delays caused by QIC and their contractors.
- Throughout the claim, it's clear the communication has been very poor. I can see Mrs T has requested multiple updates through her representative because of the lack of updates provided by QIC. It's understandable this has caused her a significant level of distress and frustration. I can also see examples where Mrs T requested information from QIC such as a copy of the scope of works and it took a number of requests before she received the information. I don't think this is fair or reasonable and it's clear from the file that the handling of the claim has been poor.
- Mrs T has explained the delays caused by QIC has affected her health and provided a letter from her doctor confirming the building works is impacting her physical and mental health. While I can't say QIC's errors were the main cause of her health issues, I think it's clear the avoidable delays caused by QIC has contributed to Mrs T's overall health issues.
- I think it's fair and reasonable QIC has requested Mrs T to provide them with comparative heating bills from the period prior to the incident compared to the increased usage caused from the influx of cold air caused by subsidence; and has explained they will then calculate the increased usage and reimburse these additional costs."

The Investigator thought, given this, QIC should pay a further £1,500 in compensation.

QIC responded to accept the Investigator's opinion. But Mrs T didn't agree. She was

unhappy QIC wouldn't allow this Service to consider what had happened since August 2024 as she said the works still weren't completed. She was appreciative the Investigator had recognised all the delays that had ensued. But she thought QIC should also cover the legal fees she'd incurred to deal with this claim. She said she couldn't have resolved this claim without legal help and thought this Service had previously told her to appoint legal support.

Our Investigator didn't think QIC was liable for Mrs T's legal costs as it was her choice to appoint solicitors. Mrs T still didn't think this was fair, so the complaint's 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've come to the same conclusion as the Investigator and I'll explain why.

In the first instance I need to confirm what this Service can and can't look at in this complaint. This Service previously considered QIC's handling of the claim up to May 2019 so I'm not considering anything that happened before then. Secondly, the complaint handling rules that govern this Service set out that this Service is unable to consider a complaint before an insurer has had an opportunity to put things right first unless QIC consents to us getting involved. Mrs T brought this complaint this Service in April 2024 following QIC's final response letter of February 2024. It seems QIC has consented to us considering the complaint up to August 2024, but not beyond that. I recognise Mrs T is unhappy it wouldn't consent, but it doesn't have to and I'm unable to consider anything after August 2024.

QIC has agreed with the Investigator's opinion and Mrs T hasn't disputed what she's said – only that she doesn't feel the redress is sufficient. So I'm not going to comment further on what QIC did wrong, other than to say I fully agree with the Investigator analysis of what QIC did wrong.

The crux of what I need to decide is what QIC should do to put things right. The Investigator thought QIC should pay £2,500 in compensation for the distress and inconvenience QIC has caused. It seems to me that QIC has caused over two years of delays and its handling of the claim has been exceptionally poor. And it's clear this has caused Mrs T a high level of distress and inconvenience – not least having to live in a damaged property for such a prolonged period of time. However £2,500 is considered an exceptional award and is awarded in circumstances similar to this. So it's in line with what I would have awarded and I think it's fair.

Mrs T's primary disagreement with the Investigator's opinion is that the Investigator didn't think QIC should have to pay Mrs T's legal fees. But I also don't think it needs to do so. Consumers don't have to instruct legal firms to handle an insurance claim and I'm not persuaded it was necessary for her to do so. Mrs T has said she only would have gotten to this point had she instructed a legal firm. But I don't agree.

QIC initially declined Mrs T's claim and this was the complaint that was previously considered. It was this Service's finding that QIC was fair in its decision at that point, but we said it should reconsider the claim if Mrs T provided her own expert's report regarding the damage to the property and adequacy of the property's foundations. And it was essentially when Mrs T provided this report that the claim changed.

I'm also conscious that the claim was put on pause because the solicitors were looking to instigate legal proceedings as opposed to following the FCA outlined complaint handling

procedures. So, it's arguable that, at points, the legal firm's actions delayed the claim in part. But importantly, I haven't seen anything to show Mrs T couldn't have resolved this matter without the use of a legal firm.

Mrs T has said she was advised by this Service to appoint a legal firm. But I haven't seen anything to support that. As I said, this Service concluded that QIC's actions were fair at that point, but if she was to provide her own expert report, QIC should reconsider it. So in essence, she was told she needed to provide her own surveyor report, but that's not the same as a legal firm.

Ultimately, as I said, it's not necessary for consumers to appoint legal firms to handle an insurance claim on their behalf and there are other more cost effective options. So taking everything into consideration, I can't reasonably require QIC to cover these costs.

### **My final decision**

For the reasons I've set out above, it's my final decision that I uphold this complaint and I require QIC Europe Ltd to do the following to put things right:

1. Increase its compensation to £2,500 for the distress and inconvenience it's caused. It should pay this to her directly if it hasn't already done so.
2. Pay any increased heating costs Mrs T can demonstrate she has incurred during the course of the claim.

I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 1 April 2025.

Guy Mitchell  
**Ombudsman**