

## **The complaint**

Mrs R complains about Tesco Underwriting Limited's handling of her subsidence claim.

Any reference to Tesco includes the actions of its agents.

## **What happened**

Mrs R holds buildings insurance cover with Tesco. She made a subsidence claim after noticing cracking at her property. Tesco arranged site investigations and concluded there was subsidence caused by nearby vegetation. The vegetation was removed and Tesco arranged monitoring and put together a schedule of work for the planned repairs.

Mrs R was unhappy with the time taken to do the repairs, and thought the schedule of work didn't include all the subsidence damage. She complained to Tesco about this.

Tesco issued its first final response letter on 6 April 2023. It confirmed additional monitoring had been arranged to ensure the property was stable. It said it had agreed for field surveyors to attend the property to inspect the areas that were causing Mrs R concern which she thought were related to subsidence.

Once the property was found to be stable, repairs began in July 2023. However, Mrs R was still concerned that not all the subsidence damage was being repaired. So, she paid for a structural engineer (Mr L) to carry out an inspection. I understand Tesco reimbursed Mrs R for this cost. Mr L wanted to meet with Tesco's loss adjuster to agree repairs. Instead, Tesco's contractor arranged for their own chartered engineer (Mr T) to also carry out an inspection. Mr T wrote a detailed report about the damage.

Following this, Tesco amended the schedule of work, and repairs were carried out. Though Mrs R still didn't think Tesco had put right all the subsidence damage.

Tesco issued a second final response on 20 May 2024. This said:

- After repairs had started in July 2023, Mrs R had raised concerns about issues that Tesco had previously found to be maintenance related. These were: damp spot to the carpet, damp spot to the left-hand wall, lump on the floor beneath the carpet and the carpet not stretching back to its former position by the patio doors.
- Mrs R and Tesco's contractor had both obtained expert reports to try and resolve the matter. Following this, Tesco remained of the view that the above issues were maintenance related rather than caused by subsidence. However, some additional repairs were added to the schedule of work. The repairs were then completed.
- Mrs R again raised concerns about the issues that Tesco considered to be maintenance related. A site meeting was held, and Tesco maintained its view on the matter. However, it was accepted that its contractor had caused some scratches to the patio doors and Tesco told the contractor to put this right.

- The repairs had only been delayed because Mrs R had wanted the maintenance issues investigated further.

Unhappy with Tesco's response, Mrs R brought a complaint to this service.

Our investigator recommended the complaint be partly upheld. Whilst she accepted the damage in dispute hadn't been caused by subsidence, as Tesco had carried out repairs to those areas as part of the claim, she thought it needed to also put right the damp issues and the lump in the floor in order for its repair to be effective and lasting. She also recommended Tesco pay Mrs R £200 compensation for the distress and inconvenience she had experienced because of Tesco's handling of the claim.

Tesco didn't accept our investigator's recommendations, and so the matter has been passed to me for a 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.

Although Tesco issued a final response letter in April 2023 about the planned repairs and delays, Mrs R didn't bring her complaint to this service in time for me to consider those matters. I've therefore only considered what happened between April 2023 and Tesco's second final response letter of May 2024.

The main items in dispute that Tesco considers are unrelated to the subsidence are:

- Damp spots to the carpet
- Lump on the floor beneath the carpet
- Damp spot to wall
- Carpet not stretching back to former position

#### **Damp spots to the carpet and lump to floor**

Tesco's loss adjuster says radiator pipes are located where the carpet has damp spots, and beneath the screed there's an original cavity wall. It also says that when the carpet was removed so that repairs could take place, it appeared that previous repairs had been undertaken in that area. They noted that damp only seems to appear in periods of heavy rainfall.

The loss adjuster thought the radiator pipes may have pierced due to corrosion. Or that due to defective construction when the property's extension was built, damp was penetrating through the old cavity wall and rising up through the subfloor. They concluded that this was an historic issue.

Given that the damp spots only appear when there's heavy rainfall, it seems unlikely that the damage is being caused by leaking radiator pipes. I've looked at the photos provided by the loss adjuster and accept their point that it seems previous repairs had been undertaken in that area, which appears to be almost directly above the old cavity wall. So, it seems to me the likely cause of the damage here is damp caused by the cavity wall rather than subsidence, and that it's an historic issue.

With regards to the lump in the floor, Tesco's loss adjuster thought this was due to historic repairs carried out. The photo they've provided appears to support this.

However, as our investigator has said, as Tesco carried out repairs to the floor, it needed to ensure those repairs are effective and lasting. I understand Tesco broke out the floor slab, replaced the damp proof course, and put down a new slab and carried out screeding as part of the subsidence repairs, and then also later applied a resin to try and resolve the damp issues. Mrs R says that the resin didn't resolve the problem and was applied poorly so that now the floor feels uneven to walk on.

So, since Tesco carried out the repairs to the floor, I think it needed to address the damp and lump issues in order for its repair to be effective and lasting. I take Tesco's point that this is betterment (as Mrs R will end up in a better position than she was previously), but without putting right the damp and lump issues, it seems to me that the repair to the floor can't be considered effective. Therefore, in these particular circumstances, I agree with our investigator that Tesco should put right the damp and lump issues to the floor.

#### Damp spot to wall

Tesco's loss adjuster says they carried out an inspection externally to this area, and noted the outer leaf block wall has no render to protect it from the elements. They noted the neighbouring guttering was overhanging and appeared to have disjoined at its connection. Furthermore, the gap between Mrs R's property and her neighbour's property had been filled with rubble and other materials, so they thought it was highly probable the damp proof course had been bridged.

The loss adjuster also noticed that during repairs the plaster was removed to the interior wall, and it was noted that previous repairs had taken place as helibars had been installed. So again, they thought this was an historic issue. They thought the cause of the damp had many contributing factors, such as poor construction, bridging of damp proof course, and defective guttering with wind driven rain. They also thought this issue *could* be contributing to the damp area within the subfloor.

Mr T wasn't convinced that the gutters were the cause of the damage. Instead, he thought the dampness was a result of driving rain penetrating the external elevation which wasn't rendered.

So, the evidence doesn't support that the dampness to the wall was caused by subsidence. Nonetheless, again, Tesco carried out repairs to this wall. I understand the contractor rebuilt the wall, it was tied in and then plastered. So, in these circumstances, I again think Tesco was required to carry out an effective and lasting repair but couldn't do that without putting right the damp spot. I therefore agree with our investigator that Tesco should put right this issue.

#### Carpet not stretching back to former position

Mrs R says that once the carpet was put back following the repairs, it wouldn't stretch all the way to the patio doors or fireplace, and that it comes up when she vacuums the carpet.

Tesco's loss adjuster has provided photos of the carpet by the patio doors before and after it was taken up. I'm satisfied that the carpet didn't stretch all the way to the doors before it was taken up, and therefore this was an historic issue. Although I haven't seen photos by the fireplace, given this was already an issue by the patio doors, I would assume it was the same by the fireplace.

I therefore don't require Tesco to replace the carpet.

#### Further issues

Mrs R was concerned that the bedroom windows were affected by subsidence. Tesco's loss adjuster says these are timber and subject to atmospheric moisture and therefore expand and contract. They said the frames weren't distorted and instead were just difficult to open and close due to thermal/moisture retention to the wood.

I understand there was also a damp stain to the Velux window, but Tesco's loss adjuster said this was a new issue and not related to subsidence. They thought the likely cause was defective lead flashing externally.

Mrs R hasn't provided any evidence that would support her view that the issues with the windows were caused by subsidence, and therefore I think it was reasonable for Tesco to rely on its loss adjuster's view here. So, I don't require Tesco to replace the windows.

Mrs R has also raised concerns about the side door. Mr T thought the binding of the door was due to periodic shrinking and swelling of the timber door within the frame in response to variations in moisture content in the atmosphere, and concluded this wasn't damaged by subsidence. Tesco says it had planned to ease the door when doing repairs, even though this wasn't caused by subsidence. However, Mrs R decided to have the door replaced and pay for this herself. This decision was up to Mrs R, but I don't require Tesco to reimburse her for this since the issue wasn't related to the subsidence.

Mrs R also questioned whether the kitchen floor tiles were damaged by subsidence. Mr T thought this damage was the result of the tiled flooring being laid on a suspended timber floor without backing layers to the tiles. He didn't think this damage was the result of subsidence. So, I don't require Tesco to carry out repairs to the kitchen floor.

Finally, Mrs R said mortar was falling out of her roof. Tesco's loss adjuster thought this was due to the general deterioration of the mortar, rather than subsidence. Again, Mrs R hasn't provided any evidence to support that this is subsidence damage, so I don't require Tesco to put right this issue.

Our investigator noted there had been a disagreement between Tesco's loss adjuster and the contractor, and so she thought it was understandable that Mrs R had lost confidence in Tesco's handling of the claim. It was for this reason that she recommended Tesco pay Mrs R £200 compensation.

As I understand it, Tesco's contractor advised Mrs R that they wouldn't be doing the repairs set out in the schedule of works. I've also read a note written by the contractor to the loss adjuster in August 2023 where they were concerned about the repairs needed and wanted an engineer to prepare a report for the reinstatement work required. They confirmed they wouldn't return until they'd had further instructions from the loss adjuster.

I agree with our investigator that this should have all been resolved before repairs began, and Mrs R was caused inconvenience as a result. I think the £200 compensation recommended by our investigator was fair and reflected the impact to Mrs R.

### **My final decision**

My final decision is that I uphold this complaint. I require Tesco Underwriting Limited to do the following:

- Put right the wet spots and lump to the living room floor
- Put right the damp spot to the living room wall
- Pay Mrs R £200 compensation\*

\*Tesco must pay the compensation within 28 days of the date on which we tell it Mrs R accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 5 June 2025.

Chantelle Hurn-Ryan  
**Ombudsman**