

## **The complaint**

Mr C and Miss W have complained about their property insurer St Andrew's Insurance Plc regarding a claim they made to it for subsidence in 2014, which was not resolved until spring 2024.

For ease of reading I'll mainly only refer to Miss W during the body of my decision. For clarity – any activity prior to 3 December 2021 is not being considered as part of this complaint.

## **What happened**

A claim was made in 2014 for subsidence. It did not progress as expected and complaints were made. Following a final response being issued by St Andrew's on 3 December 2021 the claim progressed with negotiations taking place between the parties for a cash settlement. Once agreement was reached, arrangements for Mr C and Miss W moving out of the home to allow for repairs were discussed. They moved out and repairs began in summer 2022 – but it became apparent that the planned repairs, planned by St Andrew's expert, were inappropriate. Work ceased, the alternative living arrangements came to an end and Mr C and Miss W moved home.

St Andrew's loss adjuster promised to pay them £500 a week for living in their home in its disrupted state. At that time, the floor in the hallway and lounge had to be levelled and items were being stored in other rooms, with the floor in the study entirely lifted. The hallway and living room were reinstated.

In late April 2023 Miss W was told the £500 would only be paid until 1 May 2023, and the loss adjuster would negotiate further payments with St Andrew's, which would likely be reduced. St Andrew's though wasn't minded to pay anything further and told Miss W this in June 2023. It felt the home was habitable. Miss W didn't think that it was fair for that payment to cease.

Final works to resolve the movement and reinstate the property took place in early 2024.

Between December 2021 and April 2024, a number of concerns were raised by Miss W. St Andrew's issued four final response letters, the fourth in April 2024. St Andrews offered/paid a total of £4,825 compensation. When Miss W remained unhappy with St Andrew's responses and complained to the Financial Ombudsman Service, St Andrew's offered a further £250 compensation.

Our Investigator considered what had happened and how Mr C and Miss W had been affected. She felt the total compensation offered by St Andrew's was fair and reasonable redress in the circumstances. She noted that Miss W had said she'd been unable to work and had relied upon the £500 a week payment, agreed in 2022 and stopped in 2023. But she wasn't minded to require St Andrew's to reinstate that payment or otherwise compensate Miss W.

Miss W said that the compensation St Andrew's had paid and offered was for issues other than what they had complained about to this Service. She said our compensation awards, in

general, are unfairly low. Miss W said she felt St Andrew's had breached a contract when it had stopped paying the £500. She felt that contract should reasonably be enforced.

### **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'll add at the start of my findings, whilst, as noted, I have considered all of the available evidence, I won't refer here to every piece of it, nor even every argument made. Rather, as ours is an informal service, my findings will concentrate on the detail keys to my findings.

This has clearly been a difficult time for Miss W and Mr C. Evidently by early 2021, with negotiations for a cash settlement underway and then repairs organised for the summer, they thought the claim was drawing to a close. I accept that when it became apparent that was not the case, that the work plans were inadequate and that the design process would have to start again, that would have been unbelievably frustrating. I can also see that Miss W was juggling a lot at that time – not least with a poorly pet and having to move home to a house which needed work to be done. But I recognise also that, by around spring 2023, the hallway and lounge at the home were usable, as were the kitchen and bathrooms and conservatory. Significant work was still required but work was not being done and the house was liveable in the meantime.

Clearly delays in the claim after summer 2022 should have been avoided. It was totally unacceptable for the claim to be at a standstill for a year and a half. But this Service does not look to punish insurers for their failings. Rather we look at what the impact of any failings were on the policyholders. I'm satisfied the impact on Miss W and Mr C in summer 2022 was significant. But I'm also satisfied that once some improvement works were done the distress and inconvenience they suffered living in their unrepaired home lessened. I know that, in 2024, they did remain living in their home during the reinstatement works. I realise they were noisy and messy. But I also note they say they were completed within a period of about five weeks and I am satisfied the home was habitable during that time.

I've considered what Miss W has said about the things St Andrew's said it was paying/offering compensation for and what she says their main complaint to this Service was made in respect of. I'm satisfied though that the St Andrew's compensation was paid in recognition of the distress and inconvenience suffered by Miss W and Mr C due to its failings in the handling of their claim, including in respect of delays and their loss of expectation when the £500 a week payment was stopped. Miss W said their main complaint, which they'd asked this Service to consider, was that St Andrew's negligence caused them to lose the full use of their property and that she had lost income. I'm satisfied there is no major discrepancy there.

St Andrew's has offered/paid a total of £5,075 compensation. It seems that all but £250 of that sum has likely been paid. St Andrew's clearly failed Miss W during the course of this claim. That is unacceptable. I'm satisfied St Andrew's recognises this. I'm also satisfied that the sum of £5,075 is fair and reasonable compensation in the circumstances here. It is in line with our guidance for awards of this type, with our guidance ensuring that consumers suffering similarly due to a financial business's failings – in respect of things like the nature of the upset caused and the period over which it was suffered – receive consistent awards of compensation.

I appreciate that Miss W feels that falls short given what she has said about relying on the sum of £500 in lieu of income. But that payment of £500 was agreed in 2022. It wasn't unreasonable, even though repairs did not progress after that time, for that payment to be

reviewed in 2023. I understand that it would have been difficult at times for Miss W to look for new work and or take on a new role with uncertainty about the building work remaining and the study at the home out of use. However, I'm not persuaded it would have been impossible for Miss W to work – after all, as of summer 2023, not long after the payments ceased, the only room entirely out of use was the study and building work, until early 2024, was still pending, rather than being ongoing, noisy and disruptive.

If I felt the home was uninhabitable after summer 2023, or St Andrew's had clearly agreed to pay this sum in lieu of Miss W's earnings until works completed and I was satisfied that its continued poor performance with the claim had prevented Miss W from taking on a new job, then I might have thought it reasonable to require St Andrew's to make a further payment. But that is not the case here.

### **My final decision**

As noted above, it's my finding that St Andrew's Insurance Plc failed Mr C and Miss W. However, I find its offer to pay a total of £5,075 compensation is fair and reasonable redress in the circumstances. So I now require it to pay any part of that sum which has not already been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Miss W to accept or reject my decision before 11 June 2025.

Fiona Robinson  
**Ombudsman**