

The complaint

Mr and Mrs S complain about the way AA Underwriting Insurance Company Limited has handled a claim made on their home insurance policy for damage caused by subsidence.

What happened

Mr and Mrs S have had an ongoing claim for a number of years, relating to subsidence damage to their home. Complaints have been made to AA and referred to this Service. Ombudsman colleagues have issued final decisions on the matter in May 2022 and December 2022. In the December 2022 decision, the Ombudsman said AA couldn't exclude repairs to the conservatory and its foundations, so they'd need to be carried out as part of the lasting and effective repair.

Mr and Mrs S say since then, there have been further issues, including poor workmanship in relation to flooring put down by AA. On 28 June 2024 AA issued a further final response letter. It accepted there had been a six-week delay in agreeing to rectify issues with the floor. It also accepted it had taken too long to remove debris left outside of Mr and Mrs S' property. It apologised for the inconvenience caused by the delays – which is estimated to be two months – and offered £300 compensation.

Unsatisfied with AA's response, Mr and Mrs S referred the complaint to this Service. They didn't think £300 compensation was sufficient. They said whilst AA had paid them a disturbance allowance of £15 per day for four weeks whilst the kitchen works were carried out, they still couldn't use the kitchen for a much longer period as the electrical sockets hadn't been certified as safe. They also said there was some external cracking to the property that hadn't been addressed and AA hadn't issued them with a certificate of structural adequacy.

Our Investigator recommended AA should:

- Address Mr and Mrs S' concerns relating to external cracking.
- Pay the invoice provided by Mr and Mrs S for skip hire costs to clear site rubbish.
- Issue a certificate of structural adequacy.
- Pay an additional £300 compensation – bringing the total compensation to £600.

Initially our Investigator recommended AA also pay a further disturbance allowance for the period Mr and Mrs S said they couldn't use the kitchen. But having received further information from AA, he changed his mind on that point and didn't recommend a further payment.

Mr and Mrs S had also raised concerns over the settlement of the conservatory floor. But as I understand it, after the complaint was referred to this Service, Mr and Mrs S submitted further costs for AA to consider, and so our Investigator didn't make any recommendations on this point.

AA agreed to the recommendations. It said it could appoint a contractor to review and repair the external cracks and it would issue the certificate.

Mr and Mrs S agreed to the recommendations, except for those relating to the disturbance allowance payment. They said AA had walked off site in mid-May 2024, and then cash settled for electrical work needed, which confirms the electricians did need work and they were without a kitchen for longer than what they've been compensated for.

As the matter hasn't been resolved, it has come to me to decide. Mr and Mrs S have confirmed the payment of £600 had been received, but not the skip hire costs. They've also recently said that they still haven't received the certificate of structural adequacy.

In March 2025 I issued a provisional decision on this complaint. In it I said I intended to decide that AA should pay a further disturbance allowance, for the period I considered Mr and Mrs S to have been unfairly without the use of their kitchen. A copy of my provisional findings is below.

As compensation has been agreed by the parties and paid by AA, I haven't reviewed this further, or any matters relating to the conservatory floor, as the position on this has changed and the parties were recently discussing costs.

AA has previously said it will issue the certificate of structural adequacy, I don't know why this hasn't yet been done, so I intend to require it to issue one as part of this decision. AA also agreed it would attend the property to carry out repair works to external cracks, which I consider to be reasonable. If it hasn't done so already, I intend to require it to do so in order to resolve this part of the complaint.

AA also agreed to skip hire costs. It said it would pay these on receipt of an invoice. Mr and Mrs S say they don't have an invoice; they paid in cash for the skip hire. Having considered matters, I intend to require AA to pay the £360 claimed for skip hire. It agreed in its FRL of June 2024 that it had delayed clearing the debris. It then took no action to resolve this and source a skip for Mr and Mrs S. I consider in the absence of action from AA they took reasonable steps to resolve the issue themselves. I can't see that the amount claimed for is excessive or unreasonable, so I intend to direct AA to pay for the skip hire costs without documentary evidence.

AA will also need to add 8% simple interest onto the amount. This would usually be from the date of the invoice. But as there is no invoice, I intend to require it to pay 8% simple interest from the date Mr and Mrs S first claimed the amount from AA, until the date of settlement.

The only other outstanding thing for me to consider is the disturbance allowance. AA paid this for four weeks between mid-April until 12 May 2024. It said whilst not finished, it considered the kitchen to be functioning at this stage.

Mr and Mrs S say they were unable to use the kitchen from 12 May 2024 until 15 July 2024 (which is around 9 weeks) as they considered it unsafe to use, given their concerns over the electricians. They said they were also unable to use it for a further four weeks whilst rectification works (which AA had cash settled for) were undertaken.

I've reviewed the file notes from 2024, having done so I intend to require AA to pay a further disturbance allowance for the period set out by Mr and Mrs S.

AA's notes from 22 May 2024 say that owing due a "breakdown of the relationship" it was proposed Mr and Mrs S provide a quote to rectify various issues with the kitchen including "refitting of sockets/ electricians and electrical test". The notes say the quote for the works needed was received from Mr and Mrs S on 31 May 2024, and was agreed and paid on 24 June 2024.

I'm satisfied this shows Mr and Mrs S had raised concerns over the safety of the electricians. And given AA agreed to cash settle for electrical works and tests to be done, it doesn't seem to dispute that there was – or might have been – an issue with the electricians. So I consider Mr and Mrs S made a reasonable decision not to use them until they were satisfied they were safe. They've said without the use of the sockets in the kitchen, they couldn't prepare

meals and so they continued to use a makeshift kitchen in a bedroom. I'm persuaded it would be difficult to use the kitchen if there was no access to the sockets, and so I intend to decide that AA should pay a further disturbance allowance from 12 May 2024 until 15 July 2024.

Whilst I note AA's comments that it took Mr and Mrs A around a week to agree to the cash settlement payment, I don't consider they caused any unreasonable delay during this time in sourcing their quotes or responding to AA. I also consider Mr and Mrs S were justified in their concerns over the work, and so the "breakdown of the relationship" was something AA were ultimately responsible for, not Mr and Mrs A.

Mr and Mrs S say there was then a further four weeks where they didn't have access to the kitchen whilst rectification works were carried out. This was from 15 July until 12 August 2024. They said this work involved removing units, appliances and digging up parts of the floor to resolve issues with AA's repair works. The quote Mr and Mrs S provided AA does mention that plinths needed to be refitted, which meant the sink and hob had to be removed to accommodate this. From reviewing the quote four weeks doesn't seem an unreasonable amount of time for these works to be completed. And I'm satisfied that during that time, it wouldn't be possible to use the kitchen for preparing meals or washing up. So I intend to decide that AA should pay a further disturbance allowance, of £15 per person per day as it had previously agreed, for those four weeks.

So in total, I intend to decide AA should make a further disturbance allowance payment of £15 per person, per day for the 13 weeks I've set out above.

Mr and Mrs S said they accepted the provisional decision and didn't have anything further to add. AA responded to say that the certificate of structural adequacy had been issued in November 2024. It attached a copy for our reference and also said in November 2024 it had cash settled for repairs needed to the outside of the property. It didn't make any further comments in relation to the skip hire cost or disturbance allowance.

I asked for Mr and Mrs S' comments on whether payment had been received for external repairs, I also asked our Investigator to provide a copy of the certificate of structural adequacy to Mr and Mrs S. In response Mr and Mrs S said they'd never seen the certificate before and are unsure to whom it was sent. They provided some comments in relation to it and asked for an amended one to be provided. They also said whilst a payment was received in November 2024, that was in relation to the repairs needed to the conservatory floor, not the external works, which were still outstanding. They provided an invoice in support showing works to the conservatory at the amount AA had reimbursed in November 2024.

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 reviewed Mr and Mrs S' comments in relation to external repairs, I'm not persuaded AA has provided a cash settlement for those, so I will require it, as a matter of urgency given the time that has passed, to attend Mr and Mrs S' property to review the external repairs needed.

Mr and Mrs S have raised some questions and concerns as to the wording of the certificate of structural adequacy. Whilst I will ask our Investigator to pass those concerns onto AA, I don't think it's appropriate for me to comment on the content of the certificate here as part of this decision, or why the certificate wasn't received by Mr and Mrs S in November 2024. AA needs an opportunity to respond to those concerns first. If AA is unable to resolve Mr and Mrs S' concerns in relation to the certificate, they can refer a further complaint to this

Service, which we'll review in line with our usual processes. But I can't require, as part of this decision, for AA to issue an amended certificate.

As there is nothing further for me to consider in relation to the skip hire costs and disturbance allowance payment, I see no reason to depart from my provisional findings in relation to those matters. As such my provisional findings, as well as those set out above, are now those of this, my final decision.

My final decision

My final decision is that I uphold this complaint and I direct AA Underwriting Insurance Company Limited to:

- Pay a disturbance allowance of £15 per adult per day for 13 weeks from 12 May 2024 until 12 August 2024.
- Pay £360 for skip hire costs, plus 8% simple interest* from the date Mr and Mrs S informed AA of the cost, until the date of settlement.
- Attend Mr and Mrs S' property to review and repair external cracks.

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require AA to take off tax from this interest. If asked, it must give Mr and Mrs S a certificate showing how much tax it's taken off.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 8 May 2025.

Michelle Henderson
Ombudsman