DRN-5502009

The complaint

Mrs R has complained about her prior property insurer Royal & Sun Alliance Insurance Limited because it has recorded two prior claims against her policy as subsidence and she is adamant her property has never suffered subsidence.

What happened

Mrs R's property was damaged in 2010 – an expert, writing in July 2011, said cracks (as viewed by him in August 2010) had appeared following development on neighbouring land. A claim was made under the policy, it was logged as subsidence, with Mrs R being told that was the only category available. Mrs R was unhappy about that but the claim progressed. RSA accepted the house was moving, stabilisation work was completed and another expert concluded that the problem had likely been caused by the neighbouring development works.

In 2018 a wall at the front of Mrs R's property was noted to be cracked. RSA investigated and found subsidence had occurred. Work was completed.

When Mrs R's policy was due to renew in 2024, she noted her premium was high. She queried that, and was eventually satisfied the premium had been set fairly. However, the matter showed both the prior claims had been recorded as subsidence – and Mrs R felt that was wrong.

Mrs R told RSA she wanted the detail changed, particularly as the claims were recorded on the industry database. Mrs R felt the label of subsidence was potentially damaging, which she felt was unfair when what had really happened, in 2010, was landslip due to negligent works of the developer and/or failures of the local council. Mrs R said the claim in 2018 had been caused by excessive heat, RSA's engineer had confirmed this, not subsidence.

Mrs R asked RSA for all data relating to her. RSA provided redacted documents. Mrs R felt these were redacted unfairly and not in line with data requirements. RSA wasn't minded to provide anything else and it wasn't minded to change the record of the claims. Mrs R complained to the Financial Ombudsman Service.

Our Investigator considered detail about both claims. She was satisfied that RSA had recorded the claims reasonably. She explained that it is not our role to decide if breaches of the data regulations had occurred. Our Investigator did not uphold the complaint.

Mrs R said the 2011 claim had resulted from "withdrawal of support" – it wasn't fair that RSA was recording it as subsidence. She said it was causing her problems and would continue to do so in the future. Mrs R said experts had found the damage was occurring more quickly than if it had been caused by natural means. She noted RSA had even sought recovery from the developer, but this action had later been withdrawn, with RSA never really explaining why. Mrs R maintained the damage in 2018 had been caused by nothing other than excessive heat, it was a minor issue which she would not have pursued if she had known it was being recorded as subsidence. She said any reference at all, within RSA's files or captured externally, to her home having suffered subsidence had to be removed.

Our Investigator wasn't persuaded to change her view. The complaint was referred for an Ombudsman's 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 can see Mrs R feels very strongly about this. I understand she feels RSA has lied and acted unfairly. I'm aware she feels the claims being recorded as subsidence is wrong and that this incorrect detail has and will continue to affect her. Having acknowledged all of that I think it's important that I manage Mrs R's expectations at the outset of my findings – I'm not persuaded that RSA has done anything wrong in classifying and recording, both internally and externally, these claims as falling under the cover for subsidence.

Insurance policies, in the main, offer cover for damage caused to properties by certain perils. If the damage is caused by something other than a listed peril, the policy will likely not respond. One of the listed perils in most insurance policies is 'subsidence, heave and landslip'. Whilst they are three distinct events, they are often grouped together, in this way, under one 'peril', because they all relate to movement of the land on which the property sits. So an insurer, recording a claim for 'subsidence', for example, even if it technically was a matter of landslip, has still recorded the correct policy classification.

2011 claim

I realise that Mrs R has said she thinks this was landslip rather than subsidence. But also that it was 'negligent withdrawal of support'. There is no peril in the policy, and so no cover available, for negligent acts, or withdrawal of support. RSA accepted this claim. Its outlay for this incident was over £80,000. So the claim reasonably needed to be recorded as something covered by the policy.

As I've noted above, subsidence and landslip are the same peril. I've considered the report from 2011 which Mrs R believes shows that recording this claim under the peril of subsidence, heave and landslip is incorrect. However, I note it says the property had suffered cracks and been subjected to movement due to the developer removing support of the slope, with the damage having been significant although not rapid. So the report shows the ground under the property had moved, with the peril of subsidence, heave and landslip being events caused by ground movement.

I note Mrs R's argument that subsidence is caused naturally and is, therefore, perceived as a greater risk by insurers than landslip which is caused by an unnatural source which can, therefore, be fixed or resolved. I appreciate Mrs R's view in this respect, but I don't agree with it. Subsidence could be caused, for example, by a natural event – trees, or an unnatural one – poorly installed foundations. Of course, if the latter was the cause, then many insurers would not accept the claim because most policies would exclude that cause. Similarly, a landslip might be caused by erosion – a natural occurrence, or excavation works – unnatural. And just because something 'natural' has occurred, as opposed to unnatural, doesn't mean it is impossible to guard against and so is more likely to happen again. For example, vegetation can be removed and/or structural work can be undertaken to stabilise a property and ensure long lasting repairs can be done.

I know Mrs R is worried about this claim being recorded as it has been by RSA. Particularly that it is recorded externally. However, I'm satisfied RSA has acted fairly and reasonably in recording it as it has.

I note Mrs R has concerns that RSA did not continue the recovery action. It doesn't seem like Mrs R has recently complained to RSA about its decision in that respect. I can see she thinks it never explained its reasons properly. Without there being an active complaint about this issue, I can't make any findings on it. However, I can see that RSA did provide some detail about its decision, to Mrs R in an email to her dated 28 May 2013. If Mrs R does not recall that email and/or would like to see it, she can ask RSA for a copy. If, for ease, RSA would like us to pass a copy on to Mrs R, our Investigator can facilitate that.

2018 claim

RSA's expert completed a report in 2018. The report does conclude that the damage is relatively minor – but also that it was likely caused by seasonal shrinkage. The report says that vegetation removal might resolve the issue – but that monitoring and then underpinning might be required. This was a site investigation report – detailing the investigations undertaken and what they had revealed, such as about the soil at the property. Photos of the damage are included. RSA said its outlay for this claim was over £20,000. There is no further detail available from RSA about this claim.

Mrs R says she recalls the damage being minor. That fits with the comments and photos in the report. But the photos – showing stepped cracking – do suggest damage consistent with that caused by subsidence. I understand Mrs R recalling she was told this had been caused by excessive heat. I can see why she might think then that the engineer was suggesting that this was not caused by subsidence. But it may help Mrs R understand why RSA has not been compelled by this recollection of hers to change its record on the claim, if I explain that the summer of 2018 caused what is known in the insurance industry as a surge event. The summer of 2018, for most of the UK, was extremely hot and dry. The result of that unusually hot and dry weather was that more subsidence events occurred nationally than are normally seen in any given year. So, whilst Mrs R's interpretation of the engineer's comments is that heat, not subsidence caused the damage to her wall, the comment can be viewed as explaining why subsidence damage occurred in 2018 when the wall had not been affected in this way before.

From the detail provided by both parties, I'm satisfied that RSA acted fairly and reasonably in recording this claim as subsidence.

the industry database

This will show that Mrs R has made two claims, which RSA has incurred outlays for, recorded under the peril of subsidence. As I'm satisfied RSA has logged these claims fairly and reasonably, their record on the industry database is fair and reasonable too.

These claims are now both several years old. Most insurers will only ask to be told about claims within the last three or five years. However, most insurers will also want to be told about cracking, or cracking related to ground movement, or instances of property movement, whenever that occurred. It will be up to Mrs R to answer any question asked of her accurately to the best of her knowledge and belief. Whether any prospective insurer she consults chooses to check the industry database during any application made is up to it – many insurers do not consult the database at application stage. But Mrs R should be aware that, if they check it later, and find a discrepancy between detail it holds and any of the answers she gave, that could cause problems for her. I certainly don't wish to alarm Mrs R by offering this detail here, rather I think it's important for her to understand that whilst she

may not agree with the classification RSA has applied, it is something which will remain and will be important for her to acknowledge when dealing with her future insurance cover.

Subject Access Request

Mrs R is unhappy about detail RSA provided to her. She thinks the detail, which has been heavily redacted by RSA, has not been provided in line with the regulations. She'd like RSA to provide her with unredacted information.

As our Investigator has explained, this Service does not determine complaints about breaches of data information. It is not for me to say whether RSA has breached those requirements or for me to require it to provide information in an unredacted form.

My final decision

I don't uphold this complaint. I don't make any award against Royal & Sun Alliance Insurance Limited.

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.

Fiona Robinson
Ombudsman