

The complaint

Mr D and Mrs D are unhappy with the service provided by U K Insurance Limited trading as Direct Line Select (UKI) following a claim made on their home insurance policy.

Mr D and Mrs D are both party to this complaint. Mr D has primarily dealt with this service. For ease of reference, I have referred to Mr D throughout this final decision.

UKI is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. UKI has accepted it is accountable for the actions of third parties instructed by it. In my decision, any reference to UKI includes the actions of any third party instructed by UKI during Mr D's claim.

What happened

In December 2022 Mr D reported cracked lines running diagonally across the upstairs and downstairs walls of his home. Mr D contacted UKI to register a claim. UKI arranged for intrusive site investigations to be completed in February 2023.

In July 2023 an arboriculture consultant attended and said *'Engineering opinion is that the damage is related to clay shrinkage subsidence.'* UKI instructed its contractor to provide a quote on completing a root severance as part of remedial action for subsidence. An application to the Local Council (LC) was made summarising UKI's position and consent needed to conduct remedial work *'We want to apply for root severance to place a root barrier to protect the property from the damages caused by the vegetation.'*

Mr D complained to UKI about the delay in progressing his claim, and lack of action taken by UKI. Mr D was also unhappy with UKI's decision to apply for root severance as he considered underpinning would be a more suitable option in the circumstances.

UKI responded to Mr D's complaint on 26 November 2024. UKI recognised that the claim had not been handled in line with their usual service standards. UKI offered Mr D £300 in recognition of the delays on the claim, and impact on Mr D.

Mr D was unhappy with this response and asked for the Financial Ombudsman Service to consider his complaint. The Investigator found that the compensation offered by UKI didn't go far enough in recognising the upset caused to Mr D. The Investigator recommended UKI pay Mr D an additional £450, bringing total compensation to £750.

Both Mr D and UKI rejected the Investigator's findings. As the case couldn't be resolved, it has been passed to me for final 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.

Having reviewed the evidence, I agree with the Investigator's outcome on this complaint for broadly the same reasons. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Whilst I accept that claims of this nature do often take some time to properly scope out, I don't think the delays on the claim have been reasonable. UKI accept this fact. So, the dispute now relates to the award of compensation that should be paid in recognition of what went wrong, and the impact on Mr D.

Mr D has explained that his claim remains open, and unresolved. Mr D has provided a summary of issues that UKI has failed to respond to more recently. This includes UKI's lack of progression of the claim, and additional applications made to the Local Council (LC).

I've carefully considered Mr D's comments. And I don't doubt that the claims process has caused Mr D and his family undue upset and frustration. But when reaching my decision on Mr D's complaint, I've only considered events up to the date of the final response letter. This is because our rules only allow us to consider a complaint that a business has had a chance to respond to first.

Mr D can still complain about events that have happened after UKI's final response letter, but this will be dealt with as a separate complaint. This is to allow UKI the opportunity to respond first, and the chance to put things right. It is strongly recommended that UKI take steps to progress Mr D's claim in a timely way from this point on.

I've carefully considered the impact on Mr D between October 2022 and the date of UKI's response in November 2024. And having done so, I'm persuaded the compensation amount of £750 recommended by the Investigator is reasonable, and in line with what this service would direct. I'll explain why.

I've seen that UKI arranged for intrusive investigations to be completed in February 2023. The report is dated 23 March 2023, but I can't see that UKI was proactive in progressing the claim once this report had been received. I've seen that it wasn't until July 2023 that the arboriculture consultant attended Mr D's property to complete further inspections. Although I recognise the appointments that UKI tried to make with Mr D, I think UKI could've been more proactive in arranging this sooner.

UKI determined that completing a root severance would be an appropriate step as part of remedial action for the subsidence discovered. But there was a lack of material movement on the claim in the meantime. And I can't see that Mr D was kept updated about the options UKI was considering, and why.

It wasn't until Mr D made a formal complaint about UKI's lack of communication and poor progression of the claim that he was given an update on the steps taken by UKI, and what would happen next. I'm persuaded this would've caused Mr D undue upset at a time that he was already unhappy with the poor handling of his claim.

I've seen that a formal application was submitted to the LC in April 2024. With a further application being made in October 2024. I accept that in cases like this involving a Tree Preservation Order, it's sometimes helpful to engage in more informal dialogue with the LC before making a formal application. But given the timescales on this claim, I think UKI could've done more to actively manage the claim and progress it to the LC sooner than it did.

Because of the delays on the claim Mr D was left chasing UKI for a response and feeling frustrated each time with the lack of updates and progress on his claim. Even keeping in mind the nature of the claim and dependency on the LC to respond in a timely way, UKI failed to engage properly with Mr D, and caused some avoidable delays. I can see why Mr D's confidence in UKI's ability to handle and resolve his claim has been impacted.

Having considered these events, and the overall handling of Mr D's claim for the period in question, I think payment of £750 is fair compensation to Mr D. I say this because it reflects UKI's lack of proactive management of the claim, and poor communication with Mr D, beyond what we'd expect for a claim of this type.

I note Mr D's strength in feeling about UKI moving to underpinning of the property, instead of root severance. But I'm satisfied with UKI's initial remediation plan to apply for root severance based on the circumstances at the time.

I know the claim has progressed since November 2024 but still isn't resolved. And underpinning might be a viable option to explore at this time. I can only consider UKI's poor handling of the claim between October 2022 and November 2024. And having done so, I'm persuaded £750 compensation for the distress and inconvenience caused is in line with what I'd direct in the circumstances. I'll be directing UKI to pay this if it hasn't done so already.

Putting things right

The Investigator recommended an additional payment of £450 in recognition of the impact on Mr D because of the poor service provided by UKI. I think this compensation is fair and in line with what I'd direct in similar circumstances.

My final decision

For the reasons provided I uphold this complaint.

I direct UKI to pay Mr D £750. This includes £300 already offered in the final response letter (if not already paid), and an additional £450.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 15 October 2025.

Neeta Karelia
Ombudsman