

The complaint

Mr M complains on behalf of T, a limited company, about the way West Bay Insurance Plc handled T's buildings insurance policy following a subsidence claim.

Reference to West Bay includes its agents and representatives.

What happened

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- T made a subsidence claim on its buildings insurance policy in 2018. West Bay accepted the claim, and repairs were completed in early 2023.
- West Bay didn't issue a certificate of structural adequacy at that time. Following a previous complaint with this Service, West Bay provided the certificate in April 2025.
- A new complaint arose about West Bay. T said at the 2019 renewal, it was told by its broker that West Bay wouldn't renew the policy. As a result, T had to take out a policy with another insurer and that policy excluded subsidence cover. That remained the case at each renewal until 2025 when, as T had the certificate, it was offered subsidence cover again.
- West Bay said it was aware there's generally an obligation on insurers to offer continuous cover where there had been subsidence. But, in this case, it couldn't offer a renewal, because it had withdrawn the policy product.
- Our investigator thought West Bay acted unfairly. She thought West Bay should have taken steps to ensure that withdrawing from the market didn't negatively impact T, given the ongoing subsidence claim. She asked West Bay to pay compensation, including for potential premium overpayments.
- West Bay didn't think this was a fair outcome. It later went on to make an offer of £1,000 compensation for the distress and inconvenience suffered by the leaseholders who make up T. This offer was shared with Mr M. He didn't think it went far enough to put things right, bearing in mind how long the leaseholders were without subsidence cover and the time that had been spent on the matter.
- An agreement wasn't reached, so the complaint has been passed to me.

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.

- When considering what's fair and reasonable in the circumstances I've taken into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry

practice at the time. Whilst I've read and taken into account everything said by both parties, I'll only comment on the points I think are relevant when reaching a fair outcome to this dispute. That's a reflection of the informal nature of this Service.

- This complaint is against West Bay. So I won't be able to consider the actions of any other parties it's not responsible for, such as the broker or any other insurers that have offered T a policy from 2019 onwards.
- This complaint is about the impact of West Bay not offering to renew the policy in 2019 and not providing the certificate until 2025. So I won't consider any other matters, such as the way the claim was handled.
- The subsidence claim began in 2018. Prior to the 2019 renewal, West Bay withdrew the property owners policy product, so it didn't offer a renewal to T. West Bay went on to withdraw from the buildings insurance market entirely soon after.
- That left T to find a policy elsewhere, which it did – but without subsidence cover included. After the Certificate of Structural Adequacy was issued, T was able to secure subsidence cover again at the 2025 renewal.
- T says that West Bay ought to have done more in 2019, and up to 2025, to help it maintain subsidence cover. West Bay noted in its complaint response that insurers would generally provide continued subsidence cover following a claim. I think this reflects longstanding good industry practice – particularly whilst a claim is ongoing.
- Without the insurer handling the claim providing continued cover, policyholders are likely to find it very challenging, if not impossible, to secure subsidence cover with another insurer. The absence of cover leaves them at risk of detriment.
- Another aspect of that longstanding good industry practice is to for an insurer withdrawing a product or similar to keep in mind the likely detriment and to seek a solution to mitigate or minimise it. That can include offering another similar product, maintaining cover until the claim is complete, or making arrangements for other insurers to step in and provide continuous cover.
- In short, there are many options, and we usually see insurers explore them. West Bay didn't do so, and I think it's accepted that meant T was treated unfairly. So what remains for me to consider is how West Bay should put things right – and whether the offer of £1,000 compensation goes far enough in the circumstances.
- If West Bay had taken one of those options, it's likely T would have had continuous subsidence cover up to 2025. It didn't need to make any subsidence claims during that time, so it hasn't lost out due to an absence of cover.
- In my experience, it's likely T would have faced substantially increased premiums due to the subsidence claim, beyond that which it paid during the relevant time, if it had subsidence cover. So it's unlikely there's a financial loss due to the premiums.
- I think T has accepted there are no other potential financial losses it may be able to link to West Bay acting unfairly. So there are no such losses for me to consider.
- That leaves non-financial loss in the form of distress and inconvenience for me to consider. Normally we wouldn't consider distress against a limited company, but I understand this company is merely a convenient way for a small number of

leaseholders to manage their flats and the building jointly, so it's effectively a group of people and so distress can be considered.

- In my view, they would have been concerned over those six years about the risk of being without subsidence cover and all the financial losses that could bring. If West Bay had taken one of those options, it's likely they wouldn't have faced that distress, or it would have been lessened. Similarly, it's likely it would also have reduced the administrative burden on T and the time spent discussing the matter.
- I don't think any of that's in dispute – but how much to compensate for it is. Mr M says a much higher amount than West Bay offered would be appropriate in the circumstances. I've thought about what he's said, and taken into account the level of compensation for distress and inconvenience this Service typically awards in similar and other circumstances. Having done so, I'm satisfied £1,000 compensation is fair and reasonable and in line with our usual awards. So I won't require West Bay to pay more than it's offered.

My final decision

I uphold this complaint.

I require West Bay Insurance Plc to pay £1,000 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 25 December 2025.

James Neville
Ombudsman