

The complaint

Ms B and Mr H complain that UK Insurance Limited trading as Churchill have handled their subsidence claim poorly.

What happened

Ms B and Mr H held a buildings insurance policy with Churchill on which they made a claim for subsidence.

They have made a previous complaint about the handling of this claim, and a final decision was issued by this service on 26 September 2023. So, I'm only looking at what happened after 27 September 2023 until 19 September 2024 when the last final response was issued.

Following the conclusion of the previous complaint, in October 2023 Churchill started planning the repair work that needed completing. During that period that followed, Ms B and Mr H raised several concerns:

- That perimeter fencing should be included in the scope as it had been damaged by subsidence, but Churchill declined to cover it.
- That alternative accommodation or disturbance allowance should be paid during the time they would have no kitchen bathroom or lounge during repairs.
- That there was additional damage to the property since the first scope was prepared in 2022 which included cracks in the kitchen, the need for new kitchen cupboards, and flooring in the kitchen, hallway and lounge.
- That there had been unreasonable delays in progressing the claim.

Churchill didn't agree that the fencing, disturbance allowance or additional works should be included, but they did accept that there were shortcomings in their service and offered £350 compensation. Ms B and Mr H weren't happy with this outcome, and so they brought their complaint to us.

One of our investigators looked into the complaint and she thought that Churchill could do more, so she recommended that the compensation was increased to £600.

Ms B and Mr H were still unhappy, and so the case has come to me to review.

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've thought about whether Churchill have fairly and reasonably declined to cover the additional work and expenses, and whether they have provided poor service. I'm partially upholding this complaint and I'll explain why.

The damage to the perimeter fence

Ms B and Mr H say that their perimeter fence has been damaged by the subsidence. Following the ombudsman's decision in September, they were required to provide photos of the fence to Churchill for assessment.

The loss adjuster looked at these and declined payment for a new fence as they said the fence was already in a poor state of repair, and was not damaged by the subsidence.

I have seen the photographs provided of the fence, and I am satisfied that Churchill have made a fair assessment. Parts of the fence are rotten, and there is evidence of patch repairs, suggesting the fence has been in need of replacement for some time. I also note that although the fence panels are in poor repair, the concrete gravel boards are intact, so it seems unlikely that this damage was caused by subsidence.

Disturbance allowance

Alternative accommodation has been addressed in the previous complaint with our service so I won't be considering this. However, Ms B and Mr H have said that during the works the access to the kitchen was limited, and the washing machine was inaccessible, and they should receive an allowance for this.

From the information provided by Churchill, I understand that while the kitchen was unusable during the day because of the work being undertaken, it was accessible in the evening for cooking of the main meal. A dining table was moved to another room to enable them to eat elsewhere during the day. I've been told the washing machine was also accessible and usable.

Disturbance allowance and other expenses may be payable when an insured remains in the property during work but doesn't have access to all their usual facilities and so incurs extra costs.

Ms B and Mr H say that the washing machine and downstairs bathroom were inaccessible because of a lack of floor and wall tiles and that they didn't have cooking facilities. However, Ms B and Mr H haven't provided me with any evidence to support that, and a lack of tiles wouldn't necessarily mean the washing machine was inaccessible.

In view of Churchill's assurances, and a lack of evidence to the contrary, I can't see that any disturbance allowance is justified here. I note that Ms B has said that she would prefer to eat her lunch in the kitchen, and that it isn't possible to have her mother and mother in law over for dinner whilst work is ongoing, but I can't take account of this as they don't live in the property, and whilst using the kitchen at lunchtime might be preferable, it isn't essential. So, I'm not going to be directing any payment of disturbance allowance.

The changes to the schedule of works

The initial schedule was prepared in July 2022, and by the time Churchill were ready to start repairs, it was over a year later in September 2023. It's therefore not unreasonable that further deterioration may have occurred, and so the scope might need updating. However, despite Ms B and Mr H asking for this, Churchill didn't agree to updating the schedule until April 2024, another 7 months later. I've taken account of this in the section on delay below. In terms of the extension of the scope itself, Churchill's loss adjuster met with Ms B and Mr H in July 2024 to examine and discuss the additional damage. He agreed some minor alterations were needed to the gate, but declined the additional works to the kitchen, the tiles, the hall and lounge floors. He also said that the damp issue wasn't subsidence related.

The schedule of work that was updated on 30 July 2024 includes internal works, and in respect of the kitchen, it includes removal and replacement of units, and “repairing of internal structural cracks 10mm wide by hacking back plaster, raking out and injecting with Cementous grout, fixing EML and making good plaster”, together with redecoration. So, the structural cracks are included. Churchill’s contractors have examined the additional cracks identified by Ms B and Mr H but aren’t satisfied that these are subsidence related. Given that they are already repairing some cracks, I am satisfied that if they considered these related, they would have extended the scope. I haven’t seen any evidence provided by Ms B and Mr H to support their view that these additional areas are subsidence related, and so in the absence of evidence to the contrary, I’m satisfied that Churchill’s decision not to include these is fair. I note that they have agreed to reconsider this if Ms B and Mr H are able to provide any additional evidence.

Slabs

The garden works were started but then halted because Churchill said the slabs were different from the ones that they were replacing. The original ones were buff concrete slabs, and the ones chosen by Ms B and Mr H were porcelain which were more expensive and more labour intensive to lay, requiring two contractors rather than one. Ms B and Mr H said that they had been given misleading information about the slabs which is why they chose the ones they did, not realising they were more expensive to buy and lay.

In July 2024 Churchill made it clear to Ms B and Mr H that they were unable to meet the additional cost and labour cost of these slabs as it would constitute betterment and asked them to choose some like for like buff ones, but if she still wanted the porcelain ones, they could quote her for the additional cost of laying them. I think this was a fair offer, as the policy only allows for like for like replacement, and Ms B had the opportunity to change them for a more similar substitute.

Delays

The original schedule of work was prepared in 2022, before monitoring and underpinning. And so, Ms B and Mr H wanted it reviewed and revised following this to incorporate any further work that may have arisen as a result of further deterioration.

I don’t consider that this is an unreasonable request, and so it’s not clear why Churchill appear to have been so resistant to it from September 2023 until April 2024. However, they did eventually agree it, but after it was agreed, it took them another 3 months to actually complete the visit and revise the schedule.

It’s not clear what caused this delay or why Churchill were so resistant to revisiting the schedule, and so this period of delay seems unnecessary.

I can also see that Ms B spent a lot of time chasing Churchill during that time for a response and can understand that it would have been frustrating for her.

The investigator’s view was that the award for distress and inconvenience for this period should be increased to £600 to reflect what took place and the impact on Ms B and Mr H, and I consider this is fair. Churchill have already accepted this, so I’ll be directing them to pay it.

Further issues have been raised by Ms B and Mr H about further delays and quality of work after September 2024. I’m unable to consider them here as they were after the final response letter, and so Ms B and Mr H will need to make a separate complaint.

Putting things right

In order to put things right I think that Churchill should pay Ms B and Mr H an additional £250 compensation, bringing the total to £600 compensation.

My final decision

My decision is that I am upholding Ms B and Mr H's complaint and directing UK Insurance Limited trading as Churchill to put things right as above

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B and Mr H to accept or reject my decision before 3 December 2025.

Joanne Ward
Ombudsman