DRN-5743728

The complaint

Ms N has complained about the way INTACT INSURANCE UK LIMITED ("Intact") has handled her subsidence claim.

All references to Intact in this decision include its appointed agents.

What happened

In February 2022, Ms N made a claim under her building and contents insurance policy having noticed raised cracks in the concrete floor of her home.

Loss adjusters were appointed to assess the claim and concluded that the damage was caused by subsidence. But this was later overturned and Ms N became unhappy with the way the claim had been handled, and the ultimate decision to decline the claim. So Ms N complained to her insurer and referred the complaint to the Financial Ombudsman Service.

An Ombudsman determined in March 2024 that the claim would need to be reopened and dealt with. And he awarded Ms N £2,500 compensation for trouble and upset as well as reimbursement for her financial losses.

Ms N accepted the Ombudsman's final decision, but referred a further complaint to this Service saying that the settlement hadn't been completed as outlined by the Ombudsman. She said she'd had to make further complaints to the insurer and that this had all gone on too long, and it had ruined her life for the past few years.

In its response to her complaints, the insurer acknowledged the avoidable delays it had caused in moving forward and in complying with the Ombudsman's decision. It offered Ms N £2,790 in its final response letter dated 10 December 2024 and a further £1,500 for the delays and customer service errors in its final response letter dated 15 May 2025.

Ms N didn't accept the responses, so she referred her complaint to this Service. Our Investigator considered it, but didn't think it should be upheld. He told Ms N that we couldn't look into non-compliance with an Ombudsman's decision as that would be a matter for the courts to enforce. And he said that for everything that had happened since the date of the decision, steps had been taken to resolve the complaint which were in line with what we'd expect and fair compensation had been offered.

As Ms N didn't agree with our Investigator's conclusions, the complaint has now been referred to me 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.

As this is an informal service, I'm not going to respond here to every point raised or comment on every piece of evidence Ms N and Intact have provided. Instead, I've focused on those I consider to be key or central to the issue. But I would like to reassure both parties

that I have considered everything submitted. And having done so, I'm not upholding this complaint. I'll explain why.

The insurance industry regulator, the Financial Conduct Authority (FCA), has set out rules and guidance about how insurers should handle claims. These are contained in the 'Insurance: Conduct of Business Sourcebook' (ICOBS). ICOBS 8.1 says an insurer must handle claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress; and not unreasonably reject a claim. It should also settle claims promptly once settlement terms are agreed. I've kept this in mind while considering this complaint together with what I consider to be fair and reasonable in all the circumstances.

I should point out from the outset that I won't comment on matters which were dealt with in the previous complaint and which were decided by another Ombudsman. That means I also can't consider the insurer's non-compliance with that decision. As our Investigator pointed out, if a final decision isn't complied with, it's for the consumer to decide whether to enforce that decision through the courts, but we can't become involved in that process. I appreciate that from what Ms N has told us, she is aware of this, and although legal advice pointed her back to this Service, she now fully understands the need for any matters relating to the previous final decision to be dealt with by a court.

I should also clarify that I've considered events leading up to the date of the latest final response letter I've seen, (15 May 2025). Ms N is entitled to complain further to her insurer about anything that's happened after that date.

From everything I've been provided with, it's clear there have been ongoing failings in dealing with Ms N's claim between the date of the final decision, 22 March 2024, and the date of the final response letter, 15 May 2025. These failings include ongoing delays of several months in the handling of the claim (over one year of delays in total during that period of time), as well as several instances of poor customer service and poor communication.

And I'm satisfied that the compensation of £4,290 in total which has been offered here is fair and reasonable in the circumstances, where repeated errors have caused sustained distress, affecting someone's health, and causing severe disruption to daily life, for over a year. I've carefully considered everything Ms N has told us about her circumstances and I think that although no amount of compensation will make things better for her, this level of compensation reflects – in line with our guidance – what she's told us she's been through during that period of time. It follows therefore that as the compensation offered is in line with what I'd award had no offer been made, I'm not going to require Intact to do anything differently for the time period I've considered.

I have read all the information Ms N has sent for my consideration. And I appreciate that Ms N feels her house is unmortgageable and uninsurable and has asked about whether issues such as increased mortgage costs will be claimable due to the ongoing delays.

Much of what Ms N has said concerns the previous final decision, previous errors by the insurer that were dealt with under the previous final decision, or future problems she can envisage. I know that having to make further complaints isn't an ideal outcome for Ms N and doesn't provide her with the closure she is seeking, but I'm afraid I can't consider situations which haven't happened yet or losses that haven't materialised – for example the potential increased costs of moving on to a standard variable rate mortgage. So I hope Ms N understands that my decision can only deal with what's happened so far, within the time period I've specified.

Regarding the reports Ms N has provided, she's told us that no action has been taken following these and whilst she's unhappy about this – I'm afraid as it's also happened outside the time period I'm considering, it hasn't formed part of my consideration of this complaint.

But as I mentioned, Ms N is free to make a further complaint to her insurer about events that have occurred since the date of the latest final response letter of 15 May 2025. If she incurs further losses as a result of the insurer's delays and other actions, then she should put any evidence of those losses to her insurer in the first instance, for it to consider. Following that, if there is any further disagreement, she will be entitled to make a complaint. If she remains unhappy with the response to her complaint, then she will have the right to refer it to this Service, subject to the usual rules and time limits that apply.

My final decision

For the reasons I've given, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 28 January 2026.

Ifrah Malik
Ombudsman