

The complaint

Mr J and Mrs J complain that Fairmead Insurance Limited ('Fairmead') reversed a decision to include window replacements as part of a subsidence claim made on their home insurance policy.

Mr J has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, as those of "Mr J" throughout this decision.

What happened

Mr J held a home insurance policy underwritten by Fairmead. He made a claim for subsidence in August 2020 – and Fairmead appointed loss adjusters to consider the extent of damage. As part of the claim, Mr J says Fairmead included to cover the replacement of windows – valued at around £8,000. Mr J says when the building works company attended his property, he was unhappy with their proposals of how they intended to replace the windows. He subsequently requested a cash settlement so he could fix the windows privately.

The larger aspects of the underlying claim were resolved via a cash settlement – and Mr J said he had rectification works completed which included repair of the windows on the understanding they were included in the claim. However, Fairmead later reversed this decision and said the windows were not part of the scope of works as they had not been affected by subsidence. Mr J raised a complaint to Fairmead as he was unhappy they'd changed their stance.

Fairmead considered the complaint and upheld it in part. They said the decision to include the windows in the scope of the subsidence claim had initially been based on the loss adjuster's observations that the windows had adopted a slightly rhomboid form which he attributed to subsidence. But they said a later inspection had changed this opinion and they now considered this to be due to historic distortion expected from a property of the age of Mr J's. They said during the later inspection in July 2024, it was noted there was no evidence of the paint on the window frames having any signs of cracking.

But Fairmead did acknowledge that there had been a delay in providing this information to Mr J and that he'd had works done in the interim on the understanding that the windows were included in the scope of works. Fairmead said they requested evidence of the works carried out to consider reimbursing them – but that Mr J's contractor had been unable to provide a breakdown – though he did outline the works would cost in the region of around £8,500.

However, upon review of photos of the windows, Fairmead said they felt that only repainting and redecorations had been undertaken and suggested that the value of the redecorations would be no more than £1,500. So, Fairmead proposed to resolve the complaint by paying Mr J £1,500 – as well as £500 compensation for any distress and inconvenience caused. Mr J remained unhappy with Fairmead's response to the complaint – so, he brought it to this Service.

I issued a provisional decision of the complaint, and I said the following:

"I should first set out that I acknowledge I've summarised Mr J's complaint in a lot less detail than he has presented it. However, in this decision, I haven't commented on each and every point raised, but instead I've focussed on what I consider to be the key points I need to think about to reach an overall fair outcome. I don't mean any discourtesy by this, it simply reflects the informal nature of this Service. I assure Mr J, however, that I have read and considered everything he's provided, and where I haven't commented on a specific point, it's not because I've ignored it.

The key issues in this complaint come down to two main points:

- Whether the windows were affected by subsidence and should be included in the claim, and, if they were, what Fairmead should pay; and*
- If they shouldn't have been included at all, what Fairmead should do as a result, given their admitted errors.*

In respect of the first issue, I've considered all the available evidence to reach a conclusion as to whether I think the windows were more likely than not affected by subsidence. Having done so, and while I appreciate Mr J's comments on why the first loss adjuster included them and then later changed his position, I don't think the available evidence supports them being included in the scope of works under the claim.

The main evidence which supports the windows being in scope is the initial confirmation from the loss adjuster which has now been amended by the same loss adjuster, who says his first assessment was incorrect. Given the loss adjuster says this was a mistake, I can't reasonably say that Fairmead should be bound by this – as I don't think it would be proportionate for a customer to benefit from an error. Instead, I've weighed up the other available evidence Fairmead provided which they say demonstrates the original decision was incorrect. In situations like this, where the evidence may be incomplete or contradictory, I'll need to make my decision on the balance of probabilities. That is, what I think is more likely than not to have happened, given the evidence which is available and the wider circumstances of the complaint.

I've thought about this situation very carefully, and I've considered the main pieces of additional evidence Fairmead has provided - which are their comments that the windows showed rot damage and hairline cracks - but otherwise no other signs that a subsidence episode had occurred, as well as outlining that no significant movement occurred during the level monitoring period between 21 January 2021 to 7 October 2021.

Weighing up these pieces of evidence against the initial loss adjuster's findings - which he has since amended – I find that it is, on balance, more likely than not that the windows were not affected by any subsidence damage. And I think that them being removed from the scope of works under the claim was a reasonable conclusion for Fairmead to reach in the circumstances. I find that there is more persuasive evidence to show no damage was caused to the windows due to subsidence than supports it. So, while I sincerely appreciate Mr J's submissions on this point, and he broadly feels that Fairmead should maintain their original decision, I'm not persuaded it would be fair or reasonable of me to require this. It follows that I won't be directing Fairmead to pay the original quote that was produced to replace the windows.

The next main point of the complaint is to consider what Fairmead should do, given they have acknowledged the windows were incorrectly included in the scope of works initially. Fairmead asked Mr J to provide evidence of the works he had undertaken to the windows while he understood they were included in the scope of works and would be cash settled. Mr J provided photographs of the work he had carried out as well as an invoice of wider works he had instructed to be undertaken (which included repairs to the windows) as well as an email from his contractor with the likely cost of completing these repairs on their own.

I've considered all of this evidence - as well as Mr J's additional submissions on this point – however, given my findings above, that the windows were not damaged by an insured event, I don't think it would be reasonable for Fairmead to reimburse these costs. I can also see that Mr J did not have the windows replaced; but rather had them repaired. And so, while I acknowledge Mr J said he repaired the windows on the understanding Fairmead was going to provide a cash settlement, the repairs are likely to be work that Mr J would always needed to have carried out.

However, Fairmead considered it fair for them to obtain a quote on the likely cost of having the repair work undertaken by a contractor and raised a payment of £1,500 to Mr J. I find this to be reasonable and proportionate in the circumstances. And because this is more than I would have directed Fairmead to raise – due to my finding that the damage was, on balance, not caused by an insured event – I won't be directing them to pay any more than this.

Turning to Fairmead's overall handling of the complaint, I've looked at the complaint history to decide whether Fairmead's claim handling fell short. I haven't detailed everything here – as both sides are well aware of the history of the claim and have provided detailed submissions – which I've considered carefully. But having done so, I agree that there were times that Fairmead could have done more to progress things. And the main issue remains that I think Fairmead caused a loss of expectation in initially telling Mr J the windows would be covered under the claim – and then the delay in updating this information.

Overall, I think an award of compensation to account for any delays or failures on Fairmead's part is fair here. It's important to note that a compensation award isn't intended to fine or punish a business, it's to recognise the impact a business' actions have had on their customer in a particular complaint. This Service's approach to compensation awards requires me to think about what amount would be generally fair. I can see Fairmead originally awarded £500 compensation – but the Investigator thought this should be increased to £750.

I've thought about this, but I think it is excessive in the circumstances and not in keeping with the types of awards this Service would make for similar complaints. I've weighed up Mr J's testimony, the available evidence, and the duration of the incident. Overall, I consider the total sum of £500 Fairmead originally awarded to be a fair and reasonable amount of compensation.

While I appreciate this amount is not what Mr J might hope for and that this may not fundamentally change matters for him – given his wider concerns over the claim itself – I consider it to be in line with the level of compensation appropriate to these issues and the evidenced impact on Mr J. And I'm satisfied this award is in line with this Service's approach to compensation and produces a fair and reasonable outcome in the circumstances of this particular complaint."

I concluded that, having considered all the available evidence presented by both sides, I thought Fairmead's proposed resolution to conclude the complaint with a compensation payment of £500 as well as paying £1,500 towards the cost of repairs was fair and proportionate in the circumstances. I invited both parties to respond to my provisional findings.

Fairmead didn't provide a response or anything further for me to consider. Mr J did provide a reply, and he disagreed with my provisional findings. His main points were:

- Subsidence was diagnosed and accepted – monitoring was conducted after the repairs to determine if they had been successful.
- No significant movement being recorded during the level monitoring period was not proof that no subsidence occurred; rather, it confirmed the remedial works were successful.
- The bay windows were initially included in the subsidence claim because they were assessed by the loss adjuster as distorted due to subsidence.
- The original engineering diagnosis, completed repairs, and subsequent scopes of work all validate that this was a legitimate subsidence claim.
- Reversing the scope of repairs to not include the windows would be inconsistent and unsupported.

As both parties have now been given the opportunity to provide a response, I will set out my final decision below.

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 carefully considered all of the points Mr J has provided in the context of my earlier findings. However, I am not persuaded to change my decision overall. I'll explain why.

First, I should set out that I have not made a finding that there was no subsidence, or that there wasn't a valid claim for the same. This is well documented throughout the claim and works have been completed in respect of subsidence. However, as I explained in my provisional findings, the key issue in this complaint was whether the windows were affected by subsidence and should be included in the claim.

I concluded that I don't think the available evidence supports them being included in the scope of works under the claim. Ultimately, this is a question of looking at what evidence supports them being included. The main evidence which supports the windows being in scope is the initial confirmation from the loss adjuster. But this has since been amended by the same loss adjuster, who says his first assessment was incorrect.

I appreciate that Mr J feels very strongly that the bay windows were initially included in the subsidence claim because they were assessed by the loss adjuster as distorted due to subsidence. And he says this decision should stand. But the loss adjuster says this was a mistake, so there is no evidence to support them being included. And I can't reasonably say that Fairmead should be bound by this error – as I don't think it would be proportionate for a customer to benefit from a mistake.

Having considered the other evidence that has been submitted, I maintain that, on balance, it is more likely than not that the windows were not affected by any subsidence. And I think that them being removed from the scope of works under the claim was a reasonable

conclusion for Fairmead to reach in the circumstances. I find that there is more persuasive evidence to show no damage was caused to the windows due to subsidence than supports it. So, I won't be directing Fairmead to pay the original quote that was produced to replace the windows.

In terms of Fairmead addressing this error, they considered it fair to obtain a quote on the likely cost of having the repair work undertaken by a contractor and raised a payment of £1,500. I maintain this is a reasonable and proportionate way to conclude the complaint in the circumstances. And because this is more than I would have directed Fairmead to raise – due to my finding that the damage was, on balance, not caused by an insured event – I won't be directing them to pay any more than this.

Finally, I've considered Mr J's additional submissions over the impact to him. He says the compensation award does not reflect the time, effort, and emotional toll this prolonged matter caused. I've taken into consideration Mr J's comments about the impact he says this aspect of the claim had on him. And while I have no doubt it would have caused some measurable distress and inconvenience – I'm satisfied the total sum of £500 Fairmead originally awarded to be a fair and reasonable amount of compensation in respect of this. I consider it to be in line with the level of compensation appropriate to these issues, and I'm satisfied this produces a fair and reasonable outcome in this particular complaint in line with my duty under DISP 3.6.1.

My final decision

For the reasons I've given above, my final decision is that I do not uphold this complaint or require Fairmead Insurance Limited to do more than they already have.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J and Mrs J to accept or reject my decision before 11 September 2025.

Stephen Howard
Ombudsman