

The complaint

The executor for the estate of Mr E (Mrs J) complains about Aviva Insurance Limited's handling of a subsidence claim and previous subsidence repairs.

Any reference to Aviva includes the actions of its agents, and well as any previous trading names.

What happened

The late Mr E held a buildings insurance policy with Aviva. In 1990, the garage and extension suffered subsidence damage. Aviva underpinned the garage and carried out repairs to the extension in 1992.

Then in 2004, the extension again showed signs of subsidence and Aviva carried out further repairs in 2005.

Then in 2014, the extension again showed signs of subsidence. Aviva found there were defective drains and repaired these in 2015.

In 2023, Mrs J noticed cracking at the property and made a subsidence claim. Aviva started monitoring, but then Mrs J sold the property. She told Aviva she'd had to reduce the price of the property because of the ongoing issues, and she wanted compensation for the reduction in value.

Aviva issued a final response on 26 July 2024. It said it wouldn't indemnify Mrs J for any loss in value of the property, but it had asked its loss adjuster to prepare a cash settlement based on the repairs that were needed.

Aviva paid Mrs J £7,487.20 for the repairs it thought were needed to the property. Mrs J complained to Aviva about this, as she thought it would have needed to carry out underpinning if the property hadn't been sold. That was because there had been subsidence in the same area a number of times over many years.

Aviva issued a second final response to Mrs J on 23 December 2024. It made the following main points:

- The cause of the previous subsidence had been defective drains, which were repaired.
- The drains had been checked as part of the 2023 claim, but no defects were found which meant the previous repairs had been successful.
- The monitoring didn't show any downward movement. It was thought the cracking may have occurred due to residual moisture in the ground due to the previous drainage defects, but it was also recommended that a nearby tree be removed in case this was causing the problem.
- As the property had been sold, Aviva couldn't carry out further investigations (to establish the cause of the cracking).

- Paying a cash settlement based on the schedule of work for repairs to the property was appropriate.
- It apologised for its agent not responding to her within a certain timescale.

Unhappy with Aviva's response, Mrs J brought a complaint to this service on behalf of Mr E's estate.

Aviva then offered Mrs J £100 compensation for its agent not responding to her, though she refused this offer.

Our investigator looked into things but didn't recommend the complaint be upheld. She said subsidence hadn't been confirmed before the property was sold, and so she didn't think Aviva needed to make any payment for repairs. She didn't think there was evidence that the previous repairs from 2015 had failed.

Mrs J didn't accept our investigator's findings, and so the matter has been passed to me for a 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.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims promptly and fairly. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of this complaint. In this decision, I've only considered matters addressed in Aviva's final response of December 2024.

The policy covers subsidence damage. Subsidence is defined in the policy as '*downward movement of the land beneath the buildings that is not as a result of settlement*'.

Mrs J reported the crack damage to Aviva in October 2023. A CCTV survey was carried out of the drains in January 2024, but no defects were found.

Aviva began monitoring in January 2024 and the final reading was taken in April 2024 before the property was sold the following month. The loss adjuster confirmed the crack monitoring readings between January and April 2024 didn't show downward movement. Though I see it was thought the pattern and type of cracking did suggest there was subsidence. But the limited investigations that took place didn't confirm this.

So, we can't be sure there was subsidence, though if further investigations had taken place this may well have been confirmed. I therefore agree with our investigator that Aviva wasn't required to make any payment to Mrs J for the repairs. Though I think its decision to do so was reasonable in the circumstances.

Mrs J hasn't suggested the cash settlement of £7,487.20 wasn't enough to repair the crack damage to the property, so I haven't considered this. Though she does think underpinning would have needed to take place. This was based on there being repeated instances of subsidence damage in the same area of the property and over many years.

I've issued a separate decision which explains why I can't consider the subsidence repairs that took place to the property in 1992 and 2005. Though the property experienced subsidence again in 2014 and this was found to be caused by defective drains. This was put right in 2015 and there was no further evidence of potential subsidence damage for eight years. This would suggest the repairs that took place in 2015 were appropriate.

Whilst I appreciate further cracking happened in 2023, Aviva established that this wasn't because of the drains. We don't know why the cracking occurred (as the property was sold before investigations could be completed). Even if it was subsidence, without knowing the cause of it, we don't know what work was needed to put it right. So, I can't say that it's more likely than not that Aviva would have needed to carry out underpinning.

Therefore, I'm satisfied Aviva doesn't need to make a further payment to Mr E's estate based on the cost of underpinning.

Aviva offered Mrs J £100 compensation for the impact to her caused by its handling of the claim. Though as our investigator has explained, I can't consider any impact to Mrs J in her role as an executor of Mr E's estate. That's because the estate, rather than Mrs J, is the eligible complainant in this case. So, I won't make a finding on the compensation Aviva offered her. If Mrs J wishes to accept Aviva's offer, she should contact it directly.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J on behalf of the estate of Mr E to accept or reject my decision before 20 January 2026.

Chantelle Hurn-Ryan
Ombudsman