

The complaint

Mrs A has complained about Allianz Insurance Plc. Allianz provides the cover for a property which includes Mrs A's flat. Mrs A is unhappy about repairs completed as part of a subsidence claim for the property.

What happened

There was a subsidence claim in 2020 and ultimately the property as a whole was underpinned with repairs being required to the individual flats. On 8 December 2023 the contractor completing reinstatement on behalf of Allianz handed back the keys for the property. At that time certain completion documents were awaited and it was noted that Mrs A's flat had no gas supply, Mrs A having had the meter removed earlier in the claim.

Mrs A was still in alternative accommodation when the keys were handed back. The accommodation was due to expire. Following an appeal from Mrs A, given health and vulnerability concerns, Allianz extended the accommodation to the end of January 2024 whilst arrangements were made to reinstate the gas supply and connect the boiler.

On returning to the property to inspect it, Mrs A was dismayed to find work outstanding. Allianz' loss adjusters viewed the flat and felt the outstanding issues were snagging and not too serious. Mrs A felt obvious crack repairs had been overlooked and that was not a matter of "snagging".

In June 2024 Mrs A made a complaint to Allianz. In summary she said:

- She'd moved back to the property in January 2024.
- She'd expected the remaining repairs to be completed quickly but they were still outstanding.
- She still hadn't been able to unpack.
- It was difficult to understand why significant and obvious subsidence repairs in her flat hadn't been completed.
- A payment of £2,664 had been received for some works, but the invoice was for £2,864.
- Some flats were completed but hers was not.
- The standard of reinstatement throughout the property as a whole seemed inconsistent.

Allianz answered Mrs A's complaint in a final response letter dated 24 July 2024. Amongst other things it said that it would review her concerns about outstanding works in light of an expert report she had recently provided. But it accepted there had been delays to that point in the snagging issues being resolved and paid £300 compensation.

At the end of January 2025 Mrs A complained to the Financial Ombudsman Service. She said she'd been forced to return to live in the property before it was fully reinstated – and the kitchen was yet to be completed. She said she was unhappy with the sum Allianz had said it would pay her to complete the work but it had sent her that money anyway.

Our Investigator reviewed the complaint. She explained she could only review the complaint as made by Mrs A and answered by Allianz in its final response of July 2024. She felt Allianz

had likely caused some delays and the £300 it had offered, in the circumstances, wasn't reasonable to make up for the upset caused. She said it should pay £800.

Allianz said that, in an effort to resolve matters, it would agree to that outcome.

Mrs A said she disagreed. She looked back at what had happened during the course of the claim, starting in 2020, and including an issue with the provision of alternative accommodation in summer 2023. She expressed that Allianz' actions throughout had caused distress and inconvenience. She questioned why the repairs in her property were not done sooner and she provided sales details for one of the other flats which said it had recently been refurbished to a "high standard". She also referenced upset she'd recently experienced in summer 2025 because she'd been told Allianz' loss adjusters had made untrue accusations about her conduct. In October 2025 Mrs A said a problem had recently been found with electrical wiring in the vicinity of her boiler.

The complaint was referred 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.

Having done so I find my view is the same as that expressed by our Investigator. I've set out my reasons below but both parties should note that my focus is on the complaint as made by Mrs A to Allianz in June 2024. So I won't be considering here the details and concerns Mrs A recently set out about the claim between 2020 and the latter part of 2023. Nor will I consider what happened after the final response letter of 24 July 2024 – including the settlement Allianz paid Mrs A in around October 2024.

Moving back to the property

I do appreciate it was likely worrying, and certainly disappointing for Mrs A to have to move home with work outstanding. However, it is not unusual for insurers to cease covering the cost of alternative accommodation once a property is habitable. With 'habitable' meaning the property has the usual basic facilities such as heating/hot water, lighting and facilities to cook and wash. Mrs A's property had all of that in place by the end of January 2024 when she had to move back.

January to June 2024, repairs outstanding

I'm satisfied that is far too long a time for works to be finished off. I understand both sides have accused the other of causing delays. But I place most liability for resolving unfinished insurance work on Allianz in this instance. Some snagging might be expected in any repair situation – but I think it's disappointing to see some significant cracking left after a contractor has handed back keys following a major subsidence reinstatement programme.

Unable to unpack

I haven't seen that the outstanding repairs were so extensive that personal belongings couldn't be unpacked. But I don't doubt this was how Mrs A felt.

Difficult to understand why work hadn't been completed

I agree. And I don't think Allianz has ever attempted to understand this either. But why it was left outstanding doesn't change the upset Mrs A was caused because of it being outstanding. And the compensation I would award wouldn't change based on the reason for the failure. Because that would then become a punitive award, whereas my awards are based on the upset actually caused.

Payment short by £200

Allianz acknowledged payment of the lower sum in its final response letter and promised to review what it reasonably needed to pay. I think that was a fair response.

Repairs to other flats

I appreciate it was frustrating for Mrs A to learn that other flats were completed before hers. I can't get into what happened with the repair of those flats but it might help Mrs A to understand that an insurer wouldn't usually have access to multiple teams of contractors such that all flats in a building could be worked on at the same time. And it wouldn't be unusual in a repair like this for some flats to be reinstated ahead of others. It's also important to remember that an insurer is usually required to reinstate properties to the standard they were before the loss. So that might mean that the standard of reinstatement applied throughout a large property of mixed residences does vary. It is also the case that sometimes policyholders will take advantage of the unfortunate situation to undertake upgrades to their property.

Impact on Mrs A

I think it's fair to say Allianz should have done more regarding the snagging issues identified at the property. I think it's even fair to say Allianz accepts that is the case. I'm mindful that Allianz was aware that Mrs A is a vulnerable customer with health issues and I can see it was difficult for her living in the unfinished property from the end of January 2024. My review of course only covers the period up until the final response letter of 24 July 2024. I'm satisfied having considered everything provided by both parties, that total compensation of £800 is fairly and reasonably due.

With that said, I see that, in Mrs A's response to our Investigator, dated August 2025, she said: "I feel I deserve further financial compensation for the inconvenience of still living in discomfort and in a flat which is still not finished after two years". So I think it's fair to say that Mrs A feels £800 is not fair and reasonable compensation because since July 2024 her situation remains unresolved. I can understand that is worrying and disappointing for Mrs A. But my review is of the complaint Mrs A made to Allianz in June 2024 as answered by it in the July 2024 final response letter. I can't take into account anything happening after that response was issued. Mrs A could make a further complaint to Allianz if she wanted and, once it has answered that complaint, Mrs A could revert to this Service if she wishes.

Putting things right

I require Allianz to pay Mrs A a total of £800 compensation. I note Allianz has said it has paid the £300 compensation offered in its 2024 final response letter. That being the case it will now only have to pay the outstanding £500.

My final decision

I uphold this complaint. I require Allianz Insurance Plc to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 25 November 2025.

Fiona Robinson
Ombudsman