

## The complaint

Mr G, Mrs R, and X complain about the way Intact Insurance UK Limited ('Intact') handled a subsidence claim they made on their property insurance policy.

Mr G 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 G" throughout this decision.

## What happened

Mr G is one of four leaseholders in a block of converted flats. The property is insured with a policy underwritten by Intact. The property has a history of subsidence related movement, and a previous claim was made in the mid-2000s which was attributed to clay shrinkage. That claim was settled following the removal of a tree and underpinning works to the front elevation of the property.

In 2018, further cracking and movement was reported and a new claim for subsidence damage was notified to Intact, who appointed loss adjusters to investigate the cause and extent of the damage. The loss adjusters issued a report in December 2018 which concluded the damage was caused by subsidence and recommended further investigations, including trial holes and arboricultural input. Further investigations were carried out in 2019, including level monitoring which continued over a number of years, with readings taken at various points around the property. Crack monitoring was later introduced, with a limited number of readings taken during 2021.

Intact's loss adjusters felt that the monitoring data showed relative stability to the front elevation of the property and concluded that underpinning of the front elevation carried out as part of the earlier claim had been effective and the movement being observed did not justify further underpinning at that stage. On that basis, they recommended no further structural remedial works were needed and cosmetic repairs could proceed.

Mr G did not agree and raised a complaint. He felt that the investigations Intact's loss adjusters had carried out had been inadequate and incorrectly focused on the front of the property, when he felt the damage pattern suggested ongoing instability to the rest of the property. He said he believed the cause of movement had been mis-diagnosed initially and that the proposed repair strategy would not result in any lasting and effective repair. He was also concerned that the handling of the claim had contributed to a significant increase in the policy's excess and premiums, making future claims effectively unaffordable.

Intact considered the complaint and issued a final response in October 2024. They said they were satisfied they were entitled to rely on the conclusions reached by the loss adjuster and said the investigation undertaken had been proportionate and appropriate for a subsidence claim of that nature. They also said that premium and excesses were set in accordance with underwriting criteria and risk assessment and that they had not treated Mr G differently to any other customer in similar circumstances. But they did award £300 compensation for service level delays after a scope of works wasn't received in good time.

Mr G remained dissatisfied with Intact's response to his complaint – so, he brought it to this Service. Mr G outlined that he felt Intact's loss adjusters had put forward an inappropriate scope of works and he submitted a new report, commissioned in March 2025, which he said reached different conclusions about the cause of the movement and recommended more extensive underpinning works to the rear of the property.

An Investigator then looked at what had happened but didn't recommend Intact needed to do anything more. The Investigator was satisfied the evidence demonstrated that substantive investigations had been carried out and said, while they acknowledged Mr G disagreed with the loss adjuster's conclusions, they were satisfied it was reasonable for Intact to rely on the loss adjuster's professional opinion at the time they issued their final response in October 2024. The Investigator also explained that this Service does not regulate pricing and could not tell insurers how much to charge for insurance policies, but they had considered Intact's underwriting information and found no evidence of unfair treatment.

Finally, the Investigator noted Mr G had provided a further expert report from March 2025, but this post-dated the final response, which meant it was outside the scope of this complaint. The Investigator said Intact would need to review the new report and any disagreement with their response would need to be considered as part of a new complaint.

Mr G did not agree with the Investigator's outcome. He maintained the investigation and repairs the loss adjusters had carried out were inadequate and said Intact had mishandled the claim, leading to the policy's premiums and excess increasing considerably. Mr G said while he understood market conditions dictated increases to pricing, he felt that Intact's misdiagnosing the cause and the nature of the specified repair in this current claim would mean a further occurrence of subsidence was likely, which would make a third claim effectively impossible to make due to the very high policy excess of £25,000.

Mr G asked for an Ombudsman to consider the complaint – so, it's been passed to me to decide.

### **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 should explain from the start that I haven't repeated the entirety of the complaint history here in my decision or commented on every point raised. Instead, I've focussed on what I consider to be the key points that I need to think about in order to reach a fair and reasonable conclusion. This reflects the informal nature of this Service and our key function; to resolve disputes quickly, and with minimum formality. However, I want to assure both parties I've read and considered everything provided.

I also want to set out what I will be looking at as part of my decision. I'm aware Mr G has provided a further independent report from March 2025, which he says demonstrates further works are needed. As the Investigator previously set out, the report post-dates Intact's final response, so I'm unable to consider it as part of this decision. My decision therefore only considers matters up until the final response issued in October 2024.

The crux of this complaint is for me to decide whether Intact acted unfairly or unreasonably in how they handled the subsidence claim, based on the information available to them at the time they issued their final response in October 2024.

In this case, Intact appointed specialist loss adjusters who carried out a range of investigations over several years. These included trial pits, arboricultural considerations, periods of level monitoring, and crack monitoring. The monitoring data was reviewed over time and, while some movement had been identified, the loss adjusters concluded that the

front elevation of the property showed relative stability and that the underpinning carried out as part of the earlier subsidence claim had been effective. On that basis, they did not consider further underpinning was justified at that stage and recommended cosmetic repairs could go ahead.

I appreciate Mr G strongly disagrees with those conclusions. He believed the investigations were inadequately focused on the front of the building and that the wider pattern of cracking suggested continuing instability elsewhere. However, I have not seen any persuasive evidence which demonstrates the conclusions the loss adjusters reached were incorrect, and disagreement with an expert opinion does not, by itself, mean I can fairly find it was unreasonable for Intact to rely on their loss adjuster's conclusions.

I'm ultimately satisfied that, at the time Intact issued their final response to the complaint, they had obtained and relied on appropriate expert evidence. The expert report identified a plausible cause of movement, recommended further investigation and the periods of monitoring, and did not rule out the need for more extensive works at a later date. I haven't seen any persuasive evidence that demonstrates Intact ignored relevant information, failed to investigate appropriately, or acted outside the range of reasonable responses open to them at that time. It follows that I do not uphold this aspect of the complaint.

In respect of the March 2025 report Mr G provided, I note that Intact have since reviewed this report and, as a result, have committed a further period of monitoring. But any concerns about the outcome of that process, or Intact's actions going forward, would need to be raised as part of a separate complaint. This is because the existence of a later, differing report does not demonstrate Intact acted unfairly based on the evidence available to them at the time.

Mr G also raised a complaint about the significant increase in the policy's premiums and excess, which he says has made future claims effectively impossible. As the Investigator previously explained, this Service is not the industry regulator and it's not my role to dictate to an insurer what they should charge customers for a policy they provide. A wide range of factors are considered, and each insurer will have their own approach and appetite for taking on risk. This is a decision for them to make based on their established underwriting criteria. So, the price they charge, and the methods used to calculate premiums and excesses, are a commercial decision for them to make – provided they do so fairly.

Intact has provided underwriting information to show how they calculated Mr G's premiums and excesses given the extent of historical subsidence. This information is considered commercially sensitive, so I can't share it. However, I've reviewed it carefully and I'm satisfied it shows an established process when calculating these figures, and the underwriting information I've considered satisfies me Intact applied their pricing strategy in a fair manner and in a way that would be the same for other customers.

While I appreciate Mr G says a third claim would effectively be impossible at this point given the level of excess, that point alone isn't enough for me to conclude Intact acted unfairly when relying on the information they did from their loss adjuster. As such, it follows that I do not uphold this aspect of the complaint.

Finally, I can see Intact accepted there had been delays in progressing the claim, particularly in relation to receiving final scope of works, and they awarded £300 compensation for the inconvenience caused. I consider that award to be fair and proportionate in the circumstances for the errors Intact have highlighted, and I've not seen anything that persuades me further compensation is warranted here. Intact should pay this sum to conclude the complaint, if they haven't done so already.

### **My final decision**

For the reasons I have set out above, my final decision is that Intact Insurance UK Limited should pay £300 compensation for distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G, Mrs R and X to accept or reject my decision before 10 March 2026.

Stephen Howard  
**Ombudsman**