

## **The complaint**

Mr E, Mr H and Mrs L complain that Allianz Insurance has made a number of failings in relation to the insurance it offers on their property.

They feel Allianz has failed to provide notice of a policy exclusion removing the cover for subsidence. False statements were made by Allianz's appointed expert which were relied on by Mr E, Mr H and Mrs L and this reliance has resulted in loss. Previous subsidence repairs were not completed as they should have been and a lack of post repair monitoring has meant issues with the repair were not identified sooner.

## **What happened**

Mr E, Mr H and Mrs L own the freehold of a property jointly, purchased in May 2022. With the property being divided into a number of separate flats. This complaint has been brought by three complainants, but the complaint was first brought to us by Mrs L. So, for ease of reference, I'll refer to the actions and thoughts of the complainants collectively as Mrs L throughout.

The property suffered with subsidence in 2020 with Allianz as the insurer at the time. It accepted the claim and completed repair works which were finished August 2021.

In August 2022 after Mrs L had purchased the freehold, the leaseholder for one of the flats within the property reported fresh damage. A survey was completed with a conclusion of there being no evidence to indicate the property had suffered from ground related movement since the previous remedial works were completed.

Allianz was notified of movement to the property in 2023 and in December 2023, its loss adjuster declined to cover the damage. It recommended that Mrs L make her own arrangements to repair the damage to the property and seeking the advice of an engineer, chartered surveyor or reputable local build was advised. Ultimately it didn't think the damage was the result of subsidence nor was it something the policy provided cover for. Mrs L relied on the opinion of Allianz and said she assured the leaseholder of the damaged flat that repairs were not required.

Further information and expert opinion was provided by Mrs L which contradicted the opinion of Allianz and its expert. These opinions showed subsidence or signs of heave to be present. In May 2024, after being presented with this information Allianz explained there was no cover in place for subsidence at the time as this was previously excluded from the policy. So even if new information now shows there to be subsidence, it wasn't a claim it would cover.

A complaint was raised about the actions of Allianz in 2023. Mrs L says it shouldn't have appointed its expert to assess the property and give an opinion on subsidence and she and the freeholders should have been told at the time, that subsidence cover was excluded from the policy. Had this happened, they would have explored other options to repair the property and the result of this not happening means the costs have increased significantly.

Mrs L and the other freeholders are facing legal action and associated costs for a loss of rent

claim from the leaseholder of the damaged flat. This is something they feel could have been avoided had Allianz and its agent provided correct information when notified of the damage sooner.

The complaint was brought to this Service in June 2025, ahead of Allianz issuing its final response.

Allianz issued its final response on 7 July 2025 and said it didn't think it needed to do anything now. Its expert didn't identify any damage which was subsidence related when the property was assessed in 2023 and it correctly declined the claim because of this, and there was no subsidence cover in place at the time of the claim. It felt information has been provided to advise Mrs L to seek advice on the repairs needed to the property and Allianz had made it clear at the time it wasn't responsible for these repairs.

Mrs L also complained that Allianz failed to complete an effective and lasting repair to the property in 2020/21 when it dealt with the subsidence claim accepted at the time. Following this, there was no monitoring completed which meant issues were not identified sooner and she feels it should now complete the structural repairs to the property and reimburse the legal costs, cost incurred through loss of rent claim and compensate for the emotional distress.

There was also a separate complaint about the legal expenses cover and service it provided – this is something which has been considered separately.

Allianz has said it cannot confirm whether the damage now noted at the property is the result of the previous repairs not being effective and lasting. It had a survey completed in September 2025 and has recommended a period of monitoring as well as a number of site investigations.

Our investigator looked at this complaint and didn't think Allianz needed to do anything else now, based on what had happened up until the point of its final response in July 2025. They didn't think it had been shown the damage reported in 2023 had been unfairly declined by Allianz. The report said the damage related to a number of other things and recommended Mrs L contact a surveyor or engineer to assess the repairs needed. And with the policy not having subsidence cover in place at the time, the investigator didn't think Allianz needed to do more on this point.

The investigator said an insurer has an obligation to make sure any repair completed is effective and lasting and they considered whether Allianz had demonstrated this. They weren't persuaded repairs were not effective and lasting and said there is conflicting opinions on the damage at different points. They referenced the progress of the claim now and what has been agreed since the final response by Allianz. Its agreement to investigate the damage now present at the property and complete monitoring to establish the movement now and because of this is something they felt was fair and had this not been happening already, a recommendation would have been made for Allianz to do this.

Mrs L didn't accept the investigator's opinion on the complaint and how the claim has been handled. She felt it was clear industry practice had not been followed when the repairs were completed in 2020/21 with no monitoring completed after trees were removed from the property. There is expert evidence to confirm the works in 2020/21 were not effective and it is likely subsidence has progressed since 2021. Allianz and its expert made a mistake in 2023 when it said there is no subsidence damage to the property and this misled Mrs L and made defending the claim against her for damages more difficult. Mrs L also said Allianz has been obstructive and difficult throughout with its handling of the claim.

Our investigator said their opinion remained. They cannot comment on what has become available now with the actions of Allianz after the final response was issued. When looking at what they could up to the final response in July, they saw no reason to change their position.

They explained a business is free to continue to carry out investigations into claims and this is what Allianz has been doing. If this demonstrated an error was made previously, we'd expect Allianz to take steps to put his right. But based on what had happened up until July 2025, it wasn't clear an error had been made with the claim 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.

I am not upholding this complaint and I appreciate this will be disappointing for Mrs L and the other freeholders of the property. But I'll explain why I think there has been some failings with the handling of this claim, but why ultimately, the actions now being taken by Allianz are in line with what I'd expect to happen.

Mrs L and Allianz have provided a great deal of information in support of this complaint. I have reviewed everything provided but with the nature of my role and this Service, I have not commented on everything said and have instead focused on what I feel is relevant to the crux of the complaint now.

#### *Information provided by Allianz in 2023*

When Allianz was approached by Mrs L in late 2023 with concerns about the property and subsidence, it is clear there was a failing. Allianz has accepted it didn't provide the correct information to Mrs L at the time. When the claim was made, subsidence cover had previously been removed and this happened following the previous claim in 2020/21. Despite this, Allianz and its agent, didn't explain this when it declined the claim.

Instead of stating from the outset cover was not in place, it investigated whether there was damage at the property which was consistent with subsidence. Based on its assessment of the information provided, it declined the claim. It didn't believe the damage was caused by subsidence and set out some detail on what it felt was likely causing the damage now noted. It provided a recommendation to Mrs L to seek expert opinion on the repairs needed to the damage and why this wasn't covered under the policy.

Mrs L said she and the other freeholders relied on the information provided when determining whether there was subsidence with the property and if work was required. This has resulted in issues with the leaseholder of the flat which is experiencing damage. I accept there was an opinion given to say there was no subsidence damage, but it was also clear regardless of the cause of damage, the property had experienced damage and repairs where needed.

I appreciate it would have been helpful for Allianz to have correctly identified the subsidence cover was not in place from the outset. But with it declining to cover the damage and giving its opinion on this not being subsidence related, it did provide notice that the damage wouldn't be repaired by it. Allianz asked its expert to assess the damage and confirm if, based on their opinion there was any signs of current subsidence damage. It said this wasn't the case and it listed the damage visible in the property and explained what they felt the cause of the damage was.

So, the outcome to the damage and whether Mrs L needed to arrange the repairs directly or did not change and although the reasoning should have differed, Allianz had set out its position stating it wasn't going to cover this. And while I agree Allianz should have provided clear information on the cover in place when the claim was raised, I don't think this not being said has had an impact.

The policy documents made it clear subsidence cover was not provided and I think Allianz has provided the information it should have with the policy documents. Any concerns about information not being provided at the inception of the policy would need to be raised with the broker who sold the policy.

### *Should Allianz cover the damage now reported*

When Mrs L notified Allianz of the damage to the property in 2023, there was no subsidence cover in place as this had been removed. However, with there having been a previous episode of subsidence at the property, it is understandable why Mrs L has concerns about the previous repair and if this was completed as it should have been. Some of the concerns here are focused on things like the lack of monitoring to the site after the repairs were completed.

When a repair is completed, the repair should be effective and lasting. However, it wouldn't be expected that an insurer would be able to guarantee prevention of any future subsidence due to different causes. Allianz has accepted it didn't complete any monitoring after the previous works at the property were completed, with two trees being removed from the garden. But I don't think this alone can be taken to say the works previously completed were not effective and lasting.

Following the previous repair works, there has been several reports completed at Mrs L's property between 2022, up until as recently as 2025. There is conflicting information on the damage and the cause of this, including whether this is subsidence. Some of this information and what has now been raised by Mrs L is new and only known after the final response has been issued. So, this isn't something which is part of the scope of this complaint.

However, I've thought about the earlier reports and actions of Allianz up until the final response was issued.

The report completed for the previous freeholder in 2022 gave an opinion that there was no current signs of the subsidence seen at the property since the previous remedial works with the following conclusion:

*"There is no evidence to indicate that the property itself has suffered from any ground related movement since the remedial works were carried out. Our inspection of the main house did not reveal any conclusive evidence to suggest the main property is currently the subject of significant active subsidence or ground related movement."*

The report did note cracks between the ceiling and party wall are due to the re-stabilisation of the property or previous ground movement during the removal of the cherry tree. But redecoration was recommended and advice to contact the surveyor if further cracks appeared.

Mrs L had a report completed on the property in 2023 after the leaseholder of the flat in the property said more damage had been noticed. This report contradicted the earlier one with signs of heave and subsidence being noted. But Allianz didn't agree with the assessment of damage and explained what it thought was causing this. Another report completed in

October 2024 said the vegetation in the surrounding area was the potential cause of movement.

Overall, there hasn't been a clear opinion provided on the original subsidence, the works completed and the damage now noted and whether this could be said to be a continuation of the original event. Allianz has agreed to undertake further assessments of the property and monitor it for movement over the next 12 months.

When damage was noticed soon after the first repair/remedial work had been completed, the expert opinion showed there had been no visible movement. And while I think Allianz should have monitored the property following its previous works, the findings of the February 2022 report show there was no movement noticed at this point. So, I can't say it is likely any earlier monitoring of the property would have alerted Mrs L to ongoing issues.

With there being subsequent damage noticed after this point and conflicting reports, I think it is right that Allianz investigates to ensure its previous repair can be demonstrated to be effective and lasting. So, the action now being taken is something I think it needs to do and had this not been agreed already, it is a recommendation I would have made.

The insurance in place is a commercial policy and Mrs L and the other freeholders have a commercial interest in it. It is clear there has been a huge amount of inconvenience added over the last four years and distress. This natural if issues arise with a building and this has been added to by the actions of the leaseholder of the flat where damage has been said to be caused. Allianz could have been clearer on the cover in place when the claim was first raised but advice was given to say the repairs needed were not something Allianz felt it was responsible for. It also signposted Mrs L to experts it felt should be consulted to move forward with the repairs and Mrs L and the freeholders had a commercial decision to make on the next steps with the repairs and whether to complete these.

With it not being clear whether the damage to the property now is the result of new movement, or a continuation of the old movement, I cannot say Allianz has acted unfairly when offering to complete further tests and determine now. And although it didn't provide any monitoring to the property after the work was first completed, I don't think this will have provided a different outcome based on the report completed in 2022 and what this demonstrated.

If the current monitoring shows there has been a continuation of the original subsidence, Allianz will need to consider this and any costs Mrs L presents which she feels have been incurred as a result of this. But at this point, I don't think it is fair to ask Allianz to review these as the cause of damage is not yet determined.

### **My final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E, Mr H and Mrs L to accept or reject my decision before 18 February 2026.

Thomas Brissenden  
**Ombudsman**