

The complaint

Mr M was unhappy with the settlement he was offered by Red Sands Insurance Company (Europe) Limited ("Red Sands") when he claimed on his home insurance policy and also with the delays in progressing the claim.

What happened

When a third-party driver drove their car into a boundary wall of Mr M's property, he made a claim to Red Sands for the damage caused to the wall.

Red Sands appointed a loss adjuster to review and validate the claim. Mr M has been unhappy at the progress of his claim and said he's had to deal with at least six different claim handlers. He said nine months after raising the claim, he's had no start date for the start of works, and he's not found Red Sands or its representatives have responded to his complaints. He said he's incurred unnecessary costs on his home, whilst he's been waiting to sell it.

Mr M wants his wall and gate repaired, the unnecessary expenditure he's had on household bills reimbursed and compensation for his wasted time.

Red Sands said it wasn't aware of Mr M's intention to sell his house until recently. It said its offer of £9,883 was fair to have the damaged part of the wall repaired for damage caused as a direct result of the incident. However, the council removed the remaining part of the wall on safety grounds, but Red Sands said it isn't liable for the council's actions. It said it had offered Mr M the opportunity to submit a revised quote for the initial damage, but he hadn't, it couldn't do anything more at this stage.

Our investigator decided to partially uphold the complaint. He thought the cash settlement offered by Red Sands was fair, but he thought Red Sands had caused some delays to the progression of the claim, so he awarded £500 compensation for the distress and inconvenience caused. Mr M disagreed, so the case has been referred to an ombudsman.

My provisional decision

I made a provisional decision on this on 17 November 2025. I said:

Red Sands has said "we are only able to consider damage directly caused by the initial impact. We are not liable for any damage resulting from subsequent actions taken by the Council, including the gate, which was not affected by the original incident and therefore, falls outside the scope of this claim".

Red Sands' liability is to repair or replace the damage caused by the incident. The boundary wall around Mr M's property is quite long and is a retaining wall, with shrubs that grow on top of the wall. From reviewing the details of the complaint, it's easiest to explain the wall now as three sections:

- the middle section (the part that was directly damaged by the incident)

- the left-hand section (part of the wall that was removed by the council as the incident had de-stabilised the wall making it unsafe)
- the right-hand section (part of the wall that remains in place and isn't damaged).

Red Sands says it will only cover the middle section. It said it isn't liable for action taken by the council (who took down the unsafe left-hand side of the wall). However, Mr M thinks this is unfair. He said the wall wouldn't have become unsafe if it wasn't for the incident.

Red Sand's loss adjuster explained the *"wall was removed by the council for it being unsafe however not due to the incident but because it was leaning out due to the roots"*.

I'm sympathetic to Mr M's viewpoint. Whilst the left-hand section may have not been in perfect condition before the accident, there wasn't any sign of the wall looking like it would fall. Photographs have been provided of the wall before the incident, and I can't agree with Red Sands that in the photos provided there is evidence of the wall been in a poor condition. It looks like the same condition as the other walls I can see in the photos, all of which are still standing.

I'm of the view the council will have carried out a sensible risk assessment on the wall and only removed it due to the dangers it could present. They wouldn't have acted unless there was good reason. I think it's likely that the main incident caused the need for the council to take this action.

Therefore, I intend to uphold this complaint, as I think Red Sands liability is for the repair / replacement of both the middle section and left-hand section of the wall. Therefore, I intend that Red Sands settle the claim for these sections. To build the wall, the existing vegetation will need to be removed above the wall and then replaced. The gate post will require removing to allow the new wall to be replaced, so the replacement of this should also be included. From the evidence provided, I can see the gate is attached to the other side of the wall (not in any sections left, centre and right that I have discussed) – it was also damaged pre-incident (as I can see in the photos provided), therefore, this shouldn't form part of the settlement.

I've tried to understand the basis of Red Sands costings by asking them questions. However, its figures are based on several estimations. Red Sands has also said it won't guarantee the wall as it needs to be tied into the existing right-hand wall. Mr M has provided a quote from a contractor for the replacement works (£21,828), but Red Sands dismissed it as it said it was for a wider scope of works.

As Red Sands won't do the work, I intend that Red Sands settles the claim based on the average of the 3 quotes provided by Mr M for the scope of works I've outlined in my decision, or for Red Sands to pick one of these quotes. As Mr M has been without this money, I intend that Red Sands adds 8% interest to the settlement figure for the time Mr M has been without this money (from the date Red Sands originally offered a settlement to the date the settlement is paid).

I intend that Red Sands pays £500 compensation for the distress and inconvenience caused. I think this is fair for the delays Red Sands has caused and Red Sands has previously accepted this amount when responding to the investigator's view. I can see Mr M said he wanted to sell his property, and he's incurred costs due to the delays. But, I haven't seen evidence Red Sands was aware of this desire until late on in the claim. It's also unclear how long the house would've taken to sell. Therefore, I can't consider this aspect of the complaint.

Responses to my provisional decision

Mr M accepted my provisional decision, although he clarified he'd incurred costs from the council for the removal of the wall (£433) and he'd like these reimbursed.

Mr M has also provided further quotes.

Red Sands didn't respond to my provisional 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.

As I've not received any new information, I see no reason to change my provisional decision.

Mr M should provide any quotes to Red Sands for consideration; it's not for our service to get involved in the settlement of a claim. I agree with Mr M the costs of removing the wall do form part of the settlement of the "left hand section" of the wall so, I'll make this clearer in my decision. Mr M should provide this receipt to Red Sands should they request it.

My final decision

My final decision is that I uphold this complaint. I require Red Sands Insurance Company (Europe) Limited:

- Settle the claim for the "left-hand section" of the wall (including, reimbursement of the £433 costs incurred from the council for the removal of the wall), and "middle section" of the wall, including the vegetation and fence post. The settlement should be based on based on the average of the 3 quotes provided by Mr M for the scope of works I've outlined in my decision, or for Red Sands to pick one of these quotes.
- Add 8% interest to the settlement figure (from the date Red Sands originally offered a settlement to the date the settlement is paid).
- Pay £500* compensation – for distress and inconvenience.

*Red Sands Insurance Company (Europe) Limited must pay the compensation within 28 days of the date on which we tell it Mr M accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 December 2025.

Pete Averill
Ombudsman