

## **The complaint**

Mrs L complains that Great Lakes Insurance UK Limited offered a buildings and contents insurance policy without subsidence cover.

Reference to Mrs L or Great Lakes includes their respective representatives and agents.

## **What happened**

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Mrs L had building and contents insurance for a property she owned. The policy was taken out through an independent intermediary, who I'll call A.
- At the 2023 renewal, the underwriter of the policy was an insurer I'll call B.
- Mrs L made a claim for damage to the garage. The claim was initially referred to Great Lakes, but was soon referred to B. It was later referred to an earlier insurer, C.
- At the 2024 renewal, A told Mrs L the insurer would become Great Lakes. A initially said the subsidence excess would increase to £2,500. A later said the policy wouldn't cover subsidence at all. Mrs L accepted the renewal on this basis.
- Mrs L later complained to Great Lakes. She questioned why subsidence wasn't covered by the policy and whether the cover could be added.
- Great Lakes said it wasn't responsible for A, or A's choice to renew the policy with Great Lakes. It also said Great Lakes was entitled to decide which risks to cover, and which it wouldn't, and that's what it had done. Its underwriting assessment found the risk of insuring subsidence was too high, so it didn't offer this cover.
- Mrs L referred her complaint to this Service. She said she didn't think there had been subsidence at the property. And she questioned whether the way the claim had been recorded by B and C had an impact.
- Our investigator thought Great Lakes had acted fairly. An agreement wasn't reached, so the complaint has been passed to me.

## **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.

- When considering what's fair and reasonable in the circumstances I've taken into account relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to have been good industry practice at the time. Whilst I've read and taken into account everything said by both

parties, I'll only comment on the points I think are relevant when reaching a fair outcome to this dispute. That's a reflection of the informal nature of this Service.

- This complaint is solely about Great Lakes and matters its responsible for. So I can't consider any matters that other parties are responsible for – including A, B, and C. Mrs L is entitled to make separate complaints about any of those parties if she would like to, and I understand she has begun this process.
- Great Lakes had no active involvement in the claim or how it was recorded. Nor was it responsible for the renewal of the policy and the corresponding communication.
- Great Lakes' responsibility was simply as follows: to use the information it knew about Mrs L and her property to decide if it was prepared to offer her buildings and contents insurance through A in 2024. And, if so, on what terms, including the price.
- When it did this, Great Lakes was entitled to take its own view of risk and decide what information to take into account. In short, if it thought the risk of providing subsidence cover was higher than it was prepared to accept, it was under no obligation to offer subsidence cover.
- I've seen evidence that Great Lakes carried out the assessment according to its general underwriting criteria, so I'm satisfied it treated Mrs L consistently with any other policyholder in similar circumstances.
- Whilst Mrs L may wish to understand the specific reasons and evidence behind Great Lakes' decision, that's not something I'd expect it to share, given the commercially sensitive nature of it.
- It's possible that the information Great Lakes relied upon was, at least in part, influenced by the way B and C recorded the claim. I'm satisfied Great Lakes was entitled to rely on that information. If Mrs L considers B and/or C inaccurately recorded that information, that's a matter for her to take up with those parties. It wouldn't be fair for me to hold Great Lakes effectively responsible for B or C.
- Mrs L was under no obligation to accept Great Lakes' offer. She was entitled to negotiate the terms or reject it entirely and seek subsidence cover elsewhere. So if she didn't think Great Lakes' offer was suitable for her for any reason, she didn't have to take up the offer.
- Great Lakes said it would be prepared to review the matter if it received evidence the structure wasn't suffering subsidence, such as a structural engineer's report. But it could provide no guarantee its position would change. I'm satisfied that's fair and reasonable in the circumstances. I wouldn't expect Great Lakes to make a commitment to provide cover until it had a chance to consider the relevant evidence. It's up to Mrs L if she would like to explore that option further.
- In summary, Great Lakes considered the relevant information according to its general underwriting criteria, found the risk of providing subsidence cover was outside that criteria, and therefore chose not to offer it. Great Lakes was under no obligation to offer subsidence cover and treated Mrs L consistently with any other policyholder. And Mrs L was under no obligation to accept Great Lakes' offer.
- In these circumstances, I'm satisfied Great Lakes acted within the relevant rules and regulations and fairly and reasonably overall.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 19 January 2026.

James Neville  
**Ombudsman**