

## **The complaint**

Mr and Mrs K complain Accredited Insurance (Europe) Ltd has unfairly declined a claim they made for subsidence damage to their property.

Mr K has been the main correspondent for this claim and complaint, so I've mostly only referred to him in the body of this decision.

## **What happened**

Mr and Mrs K noticed damage to the conservatory and kitchen of their home in summer 2022, and made a claim to Accredited.

Accredited carried out some investigations including monitoring and instructed an arborist to assess the possible influence of nearby trees. Accredited considered that the trees were the cause of subsidence to the conservatory and it made contact with the council responsible for the trees to seek its approval to remove them. In May 2023 the council said it wasn't minded to remove the trees. Around that time, a new claims manager was appointed at Accredited. Having reviewed the claim in full, that claims manager said further enquiries needed to be made as to the depth of the foundations of the conservatory.

In August 2023, following a further site visit Accredited said it considered the foundations of the conservatory to be too shallow, so it reserved its rights to rely on a 'faulty design' exclusion to decline the claim. However, it asked Mr K for information relating to the building control sign off of the conservatory in order to consider the claim further.

Accredited also said whilst it accepted the kitchen floor had dropped, it didn't think this was as a result of subsidence. And it said even if it was, for a claim to be successful under the policy, the foundations beneath the supporting walls of the main structure of the building also needed to be showing signs of subsidence movement. Accredited didn't think that was the case and so it said it wouldn't offer cover for the works needed to the kitchen.

Between August 2023 and March 2024, there was little progress on the claim, Mr K didn't provide the building control sign off, due to his personal circumstances. Mr K did tell Accredited in January 2024 that he would provide his own expert report, which Accredited received at the end of March 2024.

Accredited wasn't satisfied Mr K's report showed the claim should be paid and so it declined it in full in May 2024.

Unhappy with Accredited's position, Mr K made a complaint. Accredited didn't agree to alter its position and so the complaint was referred to the Financial Ombudsman Service.

Our Investigator initially upheld the complaint but ultimately decided that Accredited had fairly declined the claim for both the kitchen and conservatory. But she wasn't satisfied with Accredited's handling of matters, she felt it had given unclear and often contradictory information. She recommended Accredited pay £750 compensation to reflect the unnecessary distress and inconvenience caused.

Mr K didn't accept that outcome, he provided further evidence from his own experts, which he said supported his position that the claim should be met.

As an agreement hadn't been reached, the matter came to me to decide. I've already set out to the parties that I don't intend to require Accredited to accept the claim for subsidence

damage to the conservatory. I've said whilst it has been damaged by subsidence, I'm satisfied Accredited can rely on the 'faulty design' exclusion owing to the foundation depths. I said whilst the conservatory likely wasn't covered by building regulations at the time it was built, good building practices would still have applied to the builder, and foundation depths should have been deeper to account for the presence of vegetation. Mr K, in response said he accepted that position, and so I won't consider this further. Mr K says his main focus was, and has always been, on the main property.

In relation to the main property, I wasn't satisfied Accredited had fairly declined the claim on the basis that the policy terms hadn't been met. I said whilst the policy sets out that subsidence damage to floor slabs is only covered where the foundations beneath the supporting walls of the main building are also affected by the same cause, I wasn't satisfied Accredited had done enough to investigate the walls of the building for damage. I provided Accredited with a report from Mr K's expert, describing a large crack to the external wall of the property. So I said I intended to direct Accredited to carry out further investigative works to the main building.

Accredited, having reviewed the information from Mr K's expert, said that if the walls had been damaged a valid claim for subsidence may arise. I told Accredited that I took this as it accepting my recommendation to carry out further investigation into the damage to the main building.

Mr K responded, he asked a number of questions as to how our Investigator reached her findings – and why she changed her view on the outcome. And what investigative works were done by Accredited before declining the claim to the main building. But overall, he was satisfied that Accredited were in agreement to carry out further investigation into the damage to the main building. He provided documents from his own engineer with proposals as to how the exact cause of damage could be identified. He also said he was looking for reimbursement of his costs incurred in securing those reports, which was around £2,000.

Mr K said he was grateful for the offer of compensation, but he didn't feel that £750 was enough to offset the stress and upset the past three years had caused, and with added medical complications in the family, this has only added to the upset.

### **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.

Mr K has asked questions relating to how our Investigator reached her outcome and what evidence she relied on. I'm not going to provide a substantive response to that other than to say it is my role to explain the outcome that I have reached, not to explain the outcomes reached by our Investigators. When an Ombudsman reviews a file, we review all evidence afresh, from both parties, to reach an outcome. And as part of doing so I must explain my reasons to the parties, which I have done.

I'm also not going to detail the works carried out by Accredited to the main building, I have set out to the parties that I'm more persuaded by Mr K's evidence that further investigation into the main building, and its foundations is necessary. Going over Accredited's evidence won't change that outcome, although I'd reasonably expect Accredited to provide Mr K with a copy of any reports arising from investigations it has carried out that he'd like to see.

Both parties have accepted my provisional findings in relation to the conservatory and the main building. And having reviewed matters again, I see no reason to depart from those findings. Whilst Accredited has fairly and reasonably declined Mr K's claim for subsidence damage to the conservatory, it will need to carry out further investigation works into the main building, and the foundations to the walls of the main building, in order to consider whether

there has been subsidence damage. If there has, it will likely need to accept the claim under the policy.

It wouldn't be appropriate for me to set out what investigative works Accredited should do, because this Service resolves complaints; we don't decide on claims or provide technical expertise. But I will have our Investigator provide Accredited with Mr K's expert's comments and reports into the property, for it to consider. In my provisional findings to Accredited, I highlighted a letter from Mr K's expert, dated November 2025, as being reason for it to reconsider the claim. As such, I'll direct Accredited to reimburse Mr K any costs he incurred for providing this letter. If Accredited then goes on to accept the claim, it will need to reimburse any other reports Mr K has provided in relation to the damage to the main building.

I will add that any dispute about Accredited's further consideration of the claim would need to be looked at by this Service separately, once Accredited has had a chance to respond to any complaint. However, given the timeline of this claim, I'd hope for both parties this won't be necessary.

I do appreciate this has been an exceptionally difficult time for Mr and Mrs K, and I'm sorry to hear of the difficult diagnosis that has been received during this time. But I have to bear in mind that Accredited hasn't been the cause of all of the stress and worry Mr and Mrs K have suffered over the last few years. Firstly, having any possible subsidence damage to your home will always cause some degree of worry, that isn't something I can ask Accredited to compensate for. And whilst it has taken a number of years to get to the point we are now, I don't think, from my impartial and objective viewpoint, that Accredited have been the cause all of the delays in the claim. I'm also satisfied that Accredited has fairly declined part of the claim for damage to Mr and Mrs K's home (the conservatory). That being said, its clear Accredited could and should have carried out more investigation works into the main building of the property earlier. For its delay in doing so, I'm satisfied an award of £750 is fair and reasonable.

### **My final decision**

My final decision is that I uphold this complaint and I direct Accredited Insurance (Europe) Ltd to:

- Carry out further investigation works into the foundations of the walls on the main building in order to consider if there has been subsidence damage.
- Reimburse Mr K any cost he incurred for his expert's letter, dated November 2025. Plus interest\*, from the date he paid those costs, until the date of settlement.
- Pay Mr and Mrs K £750 compensation.

If Accredited does go on to accept Mr K's claim for the main building, it will need to reimburse Mr K any other costs incurred for reports to damage to the main building.

\*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require Accredited to take off tax from this interest. If asked, it must give Mr and Mrs K a certificate showing how much tax it's taken off.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 26 February 2026.

Michelle Henderson  
**Ombudsman**