

The complaint

Ms U complains about the way Allianz Insurance Plc handled a claim made under a buildings insurance policy for subsidence.

Reference to Allianz includes its agents and representatives.

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 agree with our investigator, and for broadly the same reasons, which he explained clearly and comprehensively. So it isn't necessary for me to go over everything again in detail. Instead, I'll summarise the main points:

- As our investigator has outlined, the scope of this complaint is limited to claim events from June 2022 to November 2024. I'll refer to this as 'the relevant time'.
- Allianz was required to handle the subsidence claim promptly and fairly. It conceded it didn't meet this requirement throughout the relevant time. Following our investigator's suggestion, Allianz has agreed to pay a total of £1,250 compensation.
- So it's not in dispute that Allianz acted unfairly during the relevant time. The question is what Allianz should do to put things right. In short, does £1,250 compensation go far enough in the circumstances? I'm satisfied it does, and I'll explain why.
- For the reasons our investigator has explained, I've based my considerations on the general distress and inconvenience caused to Ms U – in line with the powers of this Service. I haven't taken into account any more specific, serious or long term health concerns she may have, as these aren't appropriate for this Service to consider.
- Prior to the relevant time, trees thought to have been the cause of subsidence had already been removed, and Allianz had carried out repairs to the main building.
- Around the start of the relevant time, Ms U reported further cracking to the main building. Allianz inspected the cracking and ruled out poor workmanship as the cause. It suggested the cracking 'could be' caused by ground recovery following tree removal and didn't think the cracking was evidence of continued movement. It didn't go on to carry out any further investigations to establish with more certainty whether this was the likely position. It merely offered to schedule up further repairs.
- Like our investigator, I think Allianz ought to have carried out appropriate investigations following the inspection. For example, monitoring would have helped to identify the nature and extent of any ongoing movement, and would have helped to inform the next steps for the claim with objective evidence. That may have shown the building had stabilised and scheduling up further repairs was a reasonable option. Or

it may have shown continued movement and prompted further consideration of the matter. In either case, there would have been positive progression for the claim.

- At the start of the relevant time, work to the garage hadn't begun, and Allianz was working through the Party Wall process with several neighbours. Allianz couldn't control all of this process. For example, it couldn't control how long each neighbour would take to respond, what their response would be, or what actions they might take, such as appointing their own surveyors. So I don't think it would be fair to hold Allianz fully responsible for this process.
- However, Allianz was in control of progressing some parts of the process. It was also responsible for communicating promptly with neighbours to help those parts of the process move along positively, and for communicating effectively with Ms U, so she understood how the matter was progressing. Allianz has accepted it didn't always do that, which led to long delays and a lack of clarity for Ms U during that time.
- So I think it's clear that both parts of the claim suffered from avoidable, significant delays and poor communication during the relevant time. Had Allianz handled the matter promptly and fairly, that would have undoubtedly eased Ms U's distress and inconvenience and given her greater assurance that Allianz was proactively dealing with the claim – and her home and garage would receive an effective and lasting repair as soon as possible.
- Although I've read and considered everything Ms U has said, our investigator has already commented on this in detail, so I won't reiterate his comments. But I will summarise some notable examples that contributed to Ms U's distress and inconvenience, and which I think show why an award of £1,250 compensation is fair and reasonable in the circumstances.
- It's clear from her testimony that this experience has caused Ms U substantial concern over a long period of time. Ms U has had to spend a lot of time and energy chasing for progress and updates, particularly as I understand she's taken the lead for others when communicating with Allianz.
- During the relevant time, she's been living in challenging conditions. Cracks and misaligned windows are unsightly and concerning but also prevent the normal usage of the home. I think that's caused a considerable impact on her daily life and will have compounded the impact of the delay.
- I understand Ms U spent a sizeable sum of money renovating her home after she was told the building was stable and it was appropriate for her to do so – only for further damage to occur. I imagine that would have been a particularly disappointing and upsetting aspect of the claim for her.
- And she's been unable to utilise her garage. I understand she had plans to rent it out but hasn't been able to explore them further. And the damage means she can't use the garage for storage either. So I think she's lost the opportunity to do more with the garage, over a long period of time, and that's been frustrating for her.
- It would inevitably have taken a period of time for Allianz to progress both parts of the claim during the relevant time, even if things had gone perfectly. So there would always have been a degree of unavoidable distress and inconvenience for Ms U to experience. That's not something I can hold against Allianz – it's simply an unwelcome consequence of the damage.

- But I would expect Allianz to pay appropriate compensation for any avoidable distress and inconvenience it added due to shortcomings in its service. I'm satisfied £1,250 compensation is fair and reasonable in the circumstances. I think this amount takes into account the length and impact of the delay on Ms U, together with the communication problems she experienced. If any amounts have already been paid by Allianz, they can be deducted from the total.
- I know Ms U thinks a much higher amount of compensation would be fair and reasonable. She's questioned why the award isn't higher. I can assure her that her testimony has been accepted in full – it's simply that the experience she's described isn't one this Service would award higher compensation for.
- Ms U has indicated she may have suffered financial losses during the relevant time in relation to additional premiums, loss of rent for the garage, storage costs for her contents, and theft from the garage.
- I think Ms U could only *possibly* have suffered a loss in relation to the premiums if the claim should reasonably have been concluded prior to policy renewals during the relevant time. There would be other considerations too, but this is the first one. Even if Allianz handled the claim perfectly during the relevant time, I think it's unlikely it would have concluded by the 2024 renewal. As a result, I'm not satisfied Allianz has caused a financial loss in relation to the premiums during the relevant time.
- Allianz has invited Ms U to set out her claim in relation to loss of rent. It remains open to her to take up that offer if she would like to. Similarly, if she would like to claim for storage costs or stolen items – either under the policy or as a financial loss allegedly caused by Allianz – she's entitled to set out her claim to Allianz.
- I know Ms U was disappointed we haven't included the structural engineer's report within the scope of this complaint. But this report was provided to Allianz many months after its response to the complaint and was significant new evidence. Allianz is entitled to consider the report before this Service does, and it exercised its right to do so. The role of this Service is to help the parties move on when a deadlock has been reached – not to intervene prior to that. So I don't think it would have been appropriate for this Service to include the report within this complaint, in the particular circumstances, as a deadlock hadn't been reached in relation to the report.
- As our investigator has noted, if Ms U is unhappy with any claim events since November 2024, she's entitled to raise a new complaint.

My final decision

I uphold this complaint.

I require Allianz Insurance Plc to pay a total of £1,250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms U to accept or reject my decision before 16 March 2026.

James Neville
Ombudsman