

The complaint

Mr Z 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 and offered £800 compensation. Our investigator thought that was fair.
- 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 £800 compensation go far enough in the circumstances? I'm satisfied it does, and I'll explain why.
- 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, further cracking to the main building was reported. 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 Mr Z, so he 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 Mr Z 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 Mr Z's distress and inconvenience and given him greater assurance that Allianz was proactively dealing with the claim – and his property would receive an effective and lasting repair as soon as possible.
- I understand Mr Z lets the property out, so he hasn't faced the direct distress and inconvenience of living in a damaged property during the relevant time. And I understand others have taken the lead communicating with Allianz. Nonetheless, I think he would still have suffered a degree of distress and inconvenience as a result of the prolonged delays and the poor communication with others.
- 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 Mr Z 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 £800 compensation is fair and reasonable in the circumstances. I think this amount takes into account the length and impact of the delay on Mr Z, together with the communication problems experienced. So I won't require it to pay anything further.
- As our investigator has noted, if Mr Z is unhappy with any claim events since November 2024, he's entitled to raise a new complaint.

My final decision

I don't uphold this complaint.

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

James Neville
Ombudsman