

The complaint

Miss T and Mr W complain QIC Europe Ltd unfairly refused to repair subsidence related damage to their home.

What happened

Miss T and Mr W noticed internal and external cracks to their home. In November 2020 they made a subsidence claim against their QIC home insurance policy. QIC instructed a surveyor, arborist, and drainage company. Various trees were thought to be a possible cause. These were removed. The property's drains were inspected and various repairs made. QIC's surveyor, having considered various reports, was of the opinion there wasn't any subsidence damage to the property. So QIC refused to cover repairs of various cracks and damage.

Miss T and Mr W didn't accept that. In September 2022 QIC responded to a complaint. With reference to its surveyor's assessment it said all internal and external damage is likely the result of thermal cycling rather than subsidence or any other cause covered by their policy. So it continued to refuse to repair the damage to their home.

Miss T and Mr W weren't satisfied so came to this service. They don't accept the cracks are the result of thermal cycling. They feel QIC's ignored their evidence of ongoing subsidence. As a resolution they would like it to undertake monitoring for any ongoing subsidence and repair the damage to their home.

Our Investigator wasn't persuaded that cracks were the result of thermal cycling rather than subsidence. So she recommended QIC carry out monitoring of the property for any ongoing movement. She said it should carry out some recommended, but unfulfilled, drainage work. She also felt QIC should pay £200 compensation for unfairly declining Miss T and Mr W's claim.

Miss T and Mr W accepted that outcome. QIC didn't so the complaint was passed to me. It said it had already completed a CCTV survey and repairs to the drains. It didn't accept there was likely to be ongoing subsidence so didn't agree to the monitoring.

I wrote to Miss T and Mr W and QIC to explain I felt the available evidence to be inconclusive. I said I can't reasonably say there is subsidence damage, but felt there was enough to indicate possible ongoing movement. So I said I felt a fair compromise would be for QIC to monitor the property for 12 months.

I explained my position was partly influenced by information provided by Miss T and Mr W that hadn't been shared with QIC. This included their account of more recently discovered cracks and report of their contractor's opinion that drainage issues are causing a support pillar to sink. I also provided photos of the property, from about seven months after QIC's surveyor's assessment. I said they appear to show additional, internal and external, cracking.

Miss T and Mr W provided some further information about ongoing movement that I discuss in the provisional decision section below. QIC still didn't accept monitoring as necessary. It said all potential causes of subsidence had been rectified or ruled out. It instead suggested it instruct a surveyor to inspect damage, to the bathroom, that it hadn't previously been made aware of. It said if it was found to be consistent with subsidence it would cover repairs.

I then issued a provisional decision. A its reasoning forms part of this final decision I've copied it in below. In it I explained why I now intended to require QIC to arrange a wider inspection than it had proposed - but not to undertake monitoring. I also invited Miss T and Mr W and QIC to provide any further information they would like me to consider before issuing this final decision.

QIC responded to accept my proposal. Miss T and Mr W provided various comments. I've addressed those below.

what I've provisionally 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 this is an informal service I'm not going to respond here to every point or piece of evidence Miss T and Mr W and QIC have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything provided.

QIC's pointed out that the drainage work recommended by the Investigator has already taken place. Having looked at various drainage reports I can see that's correct.

Miss T and Mr W have passed on the opinion of their own contractor. They say he felt QIC's drainage contractor should have made additional repairs. I've asked for something from Miss T and Mr W's contractor to support their account of his thoughts – like a report or phone call. But as I haven't been provided with anything I can't give much weight to his reported opinion.

So, based on the evidence I've seen, I can't fairly say there is any outstanding drainage work. So I don't intend to require QIC to undertake any further inspections or repairs of the drains.

I now don't intend to require QIC to undertake further monitoring of the property. My change of position on this is mainly based on Miss T's recent testimony. She explained that the property no longer seems to be moving. She said she feels the drainage repairs and tree removal had solved the problem.

Miss T and Mr W would still, for their own reassurance, like monitoring to take place. I understand their position. However, I can't fairly require QIC to cover the costs of monitoring unless there's reasonable grounds to suspect ongoing movement. I now can't say there is.

I've considered the damage, internal and external cracks, that Miss T and Mr W feel is subsidence related. QIC's surveyor, having undertaken a desk top assessment of the available evidence feels it minor, old and of no structural significance – and ultimately not subsidence related.

I've seen the various photos and considered the timeline of development of the damage. I accept it's possible that it is subsidence related – particularly with the reported presence of tree roots and problems with the drainage. But Miss T and Mr W haven't provided anything, like a surveyor's report or other expert opinion, to support their position that the damage is subsidence related.

But ultimately, considering the expert opinion that is available, there isn't currently enough for me to say the damage to their home is most likely subsidence related. So I don't intend to direct QIC to repair the various areas of damage.

However, I do feel there's enough to indicate the possibility of subsidence damage. So I intend to require QIC to undertake a further inspection of all the damage. It offered, with the drainage defects at the rear of the property in mind, to inspect the bathroom and repair any damage it considers consistent with subsidence. That's a reasonable offer. But a full assessment of all the damage, Miss T and Mr W feel is subsidence related, will provide a second opinion at a likely moderate additional cost.

So QIC will need to instruct a surveyor, or other suitably qualified professional, to inspect the property. To ensure a second opinion it shouldn't appoint the firm or individual who provided the July 2022 assessment. With sight of the various existing reports the new surveyor should reconsider all the damage and any the surveyor feels likely to be subsidence related should be reinstated by QIC.

Our Investigator recommended QIC pay Miss T and Mr W some compensation. She felt that was appropriate as she was of the opinion it had unfairly declined their claim. Whilst I think it will be reasonable for the damage to be reconsidered, I haven't found that QIC has unfairly refused to repair any subsidence related damage. So it follows that I don't intend to require it to pay any compensation.

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.

Miss T and Mr W said they would like the damage assessed as proposed. They requested a site visit rather than just a desk top review. I agree a physical inspection would be appropriate. I think QIC's original proposal involved one. However, for clarity – the assessment should include a physical inspection of the property.

Miss T and Mr W have provided comments about the various areas of damage and how these have been considered or overlooked by QIC. The new surveyor should be made aware of all the damage they would like considered as part of the assessment. So they should be given an opportunity to set this out to the surveyor at, or ahead of, the visit to the property.

My final decision

For the reasons given above, I require QIC Europe Limited to appoint a new surveyor (or other suitably qualified expert) to physically inspect all the reported damage and to reinstate any they (the surveyor) consider likely be subsidence related.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T and Mr W to accept or reject my decision before 6 January 2024.

Daniel Martin
Ombudsman