

The complaint

Mrs H complains St Andrew's Insurance Plc (St Andrew's) hasn't completed adequate repairs to her property following a subsidence claim under her home insurance policy.

Any reference to St Andrew's includes the actions of its agents. As Mrs H is being represented on this complaint, any reference to Mrs H includes her representative's comments.

What happened

The circumstances of this complaint are known to both parties, so I've summarised what's happened.

- Mrs H has a home insurance policy which is underwritten by St Andrew's.
- St Andrew's agreed to repair damage to Mrs H's property which has been caused by subsidence.
- Following the repairs, Mrs H complained to St Andrew's, saying: the wooden floor hadn't been cut flush around the hearth; beading had been used to disguise gaps; thresholds were trip-hazards; 6mm ply had been fitted when it wasn't there before.
- St Andrew offered Mrs H the following options:
 - St Andrew's contractor completes the repairs.
 - Mrs H submits a quote for her own contractor to repair the floor.
 - St Andrew's provides Mrs H with a cash settlement based on what it would cost its contractor to repair the floor.
- St Andrew's also acknowledged it could have been clearer when explaining it would only repair the floor, not replace it and so, paid Mrs H £100 compensation.
- Mrs H didn't consider any of the options to be fair and said the floor needed to be pulled up and laid again. So, she wants St Andrew's to cover the cost of own contractor doing the works.
- Unhappy, Mrs H brought a complaint to this Service. An Investigator considered it and didn't uphold it. Because Mrs H disagreed, the complaint has been passed to me for an Ombudsman's decision.

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.

- The crux of this complaint is that Mrs H considers St Andrew's to have completed sub-standard repairs, and the parties disagree on how to progress the claim.
- St Andrew's say the floor was laid in accordance with manufacturing guidance and that it wasn't fitted poorly – it's said this was corroborated by Mrs H's contractor who said using beading was standard practice. Mrs H says she didn't have beading around the hearth before, and so, is unhappy St Andrew's contractor added it to disguise a gap.
- So, what I need to consider is whether the proposed remedies St Andrew's has put forward are fair and reasonable in the circumstances of this complaint.
- The starting point is the policy document which says: "*depending on the extent and type of damage, [St Andrew's] can rebuild, repair, or replace your things, or give you a cash payment.*" In other words, St Andrew's can choose how it wants to settle the claim.
- St Andrew's has offered to either: complete the repairs to the floor; pay a cash settlement (at the rate it would cost its contractors to carry out the repairs); consider a quote from Mrs H's contractor to *repair* the floor – all of which I'm satisfied it's entitled to do under the terms of the policy.
- As St Andrew's contractor carried out the initial repairs, it's fair it's given the opportunity to put things right. But Mrs H has said she doesn't want the same contractor because she's experienced other problems with the quality of their work. In circumstances like this, I would ordinarily need to consider whether St Andrew's ought to provide a cash settlement, but it's already offered to do so.
- Because St Andrew's has offered to repair the floor, it's not required to pay Mrs H more than what it would have cost it to put things right. Insurers are often able to carry out repairs at a lower cost because they have pre-agreed rates with contractors. And so, it's not unusual for the settlement amount to be lower than what the policyholder would pay if they instructed their own contractor to do the same work.
- Here, however, St Andrews has also given Mrs H the option of providing a quote for her *own* contractor to do the repair. I understand Mrs H has experienced difficulties in sourcing a contractor who is prepared to carry out the repairs, but I'm not persuaded that's something St Andrew's can reasonably be held responsible for.
- Whilst I appreciate Mrs H says the floor needs to be pulled up and laid again, I haven't been provided with evidence which persuades me St Andrew's solution of *repairing* the affected area won't put Mrs H back in the position she was before the damage (caused by the subsidence) occurred. And so, I don't consider it fair to ask St Andrew's to cover Mrs H's contractor's cost to *relay* the floor.
- St Andrew's has apologised for not giving Mrs H clear information about whether it would repair or replace the flooring. Understandably, this would have been frustrating for Mrs H but, I'm satisfied the compensation paid reasonably reflects the difficulties she experienced – and so, I won't be asking St Andrew's to pay an additional amount.
- To sum up, I'm satisfied the options provided by St Andrew's to progress Mrs H's claim are reasonable in the circumstances. So, I'll leave it with Mrs H to decide which of these she wants to accept.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 4 August 2023.

Nicola Beakhust
Ombudsman