

The complaint

Mrs F complains about Soteria Insurance Limited declining her claim for subsidence and about how a previous claim was handled.

What happened

Mrs F's home is insured with Soteria and has been for many years. In 2002 her house suffered damage due to subsidence and so Mrs F claimed on her policy. The claim was accepted, and repairs carried out to the house.

In 2019, Mrs F had an extension built. In 2020 Mrs F reported cracks in the side of her house and so contacted Soteria to raise a claim for subsidence. Soteria reviewed the claim and turned it down. It said the cracks to the house weren't consistent with subsidence. Mrs F didn't agree and asked for another review of the claim. She also provided a report on her house which recommended her house be underpinned.

Following Mrs F disagreement and report on her house, Soteria's decided to carry out monitoring to determine whether it was suffering from subsidence. The monitoring determined the property wasn't suffering from subsidence and so, in 2022, Soteria declined Mrs F's claim again. Mrs F didn't agree and complained. She said her property had suffered subsidence in 2002 and Soteria hadn't repaired it correctly and didn't think her claim had been fairly handled.

Soteria reviewed the complaint and didn't uphold it. It said there was no evidence to show Mrs F's property was suffering from subsidence and so didn't agree an insured event had occurred. It also said it didn't have records of the 2002 claim, but said, as it hadn't suffered any issues for almost 20 years it felt the repair must have been lasting and effective. However, Soteria did agree it hadn't responded to Mrs F as it should have and paid her £100 compensation. Mrs F didn't agree and referred her complaint here.

Our investigator reviewed the complaint and didn't recommend it be upheld. He found that while the claim had taken some time this was down to the initial outcome not being accepted and monitoring needing to be carried out. Our investigator also agreed there wasn't an event covered by the policy, as the reports didn't show Mrs F's house is most likely suffering from subsidence. Our investigator also didn't find there was sufficient evidence to show the repair carried out in 2002 wasn't lasting and effective. Mrs F didn't agree, she asked why her policy had the subsidence clause removed from it for the last two years and that, due to having a subsidence claim recorded, it had prevented her finding alternative cover elsewhere. Mrs F also explained due to her health the delay in the claim had caused her significant distress and inconvenience.

As Mrs F didn't agree the complaint has come to me to decide.

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.

Mrs F has made a number of detailed points. We're an informal dispute resolution service set up as a free alternative to the courts. In deciding this complaint I've focused on what I consider to be the heart of the matter rather than commenting on every issue in turn. This isn't intended as a discourtesy to Mrs F. Rather it reflects the informal nature of our service, its remit and my role in it.

The crux of Mrs F's complaint is that she believes her property is suffering from subsidence now and/or the previous repair in 2002 hasn't been done correctly. For simplicity I will address the issues in chronological order. It's not in dispute that Mrs F's policy covers her for subsidence, so I see no need to comment on that further.

For the 2002 claim, Soteria has confirmed that due to the length of time since the claim it no longer has any records. Given the claim was around 20 years ago this isn't unreasonable. However, Mrs F has provided documents from 2002 which shows she had a successful claim for subsidence, but it was deemed that underpinning wasn't necessary. As this letter appears to show there was a successful subsidence claim, it would therefore be reasonable for it to have been recorded and to show on Mrs F's claim record. I'm therefore not persuaded Soteria has done anything wrong by recording the 2002 claim as subsidence.

In 2020, Mrs F raised a new claim for subsidence as her property had cracks in the wall. This was following an extension which was built in 2019. When the claim was assessed, it was determined that due to the type of cracking that it wasn't subsidence. Mrs F didn't agree with this and obtained a report on her property. I've reviewed this report and it does recommend the house is underpinned, but it doesn't confirm Mrs F's house has subsidence or say that this is most likely the cause of the cracks. I'm therefore not persuaded this shows Mrs F's house has suffered an event which is covered by the policy.

I can also see there was monitoring carried out on Mrs F's property following the report she had produced, and the monitoring doesn't show the house is suffering from subsidence. When taking Mrs F's report and the reports carried out by Soteria into account, it's clear Mrs F's house needed work, but I'm not persuaded they show it related to something covered by her policy. I'm therefore not going to tell Soteria to do anything else in relation to her subsidence claim.

I have also considered Mrs F's point that the previous repair in 2002 wasn't a lasting and effective repair. While I can understand Mrs F's point, I'm not persuaded there is sufficient evidence to show the repair in 2002 is related to the issues which caused the cracking which was reported in 2020. I say this because none of the reports say this, and I also have to consider that the repair was done almost 20 years before this cracking developed. It would therefore appear that the repair in 2002 has lasted and I'm not persuaded there is sufficient evidence to say Soteria didn't do a lasting and effective repair in 2002, as it needed too.

I've also considered Mrs F's complaint about the poor claim handling. I can see the most recent subsidence claim has taken over a year, however, I can also see this is because the initial claim outcome wasn't accepted and then monitoring was required. I'm therefore not persuaded that Soteria has caused significant unnecessary delays.

I can see however there has been poor claim handling by Soteria, particularly around not responding to Mrs F. Soteria has paid Mrs F £100 for the distress and inconvenience this has caused. Mrs F explained this isn't enough due to her suffering from depression and the way the lack of communication made her feel. I've considered this carefully and while I have taken into consideration of how Mrs F felt due to Soteria's poor claim handling, I'm not going to tell it to pay any more.

My final decision

For the reasons explained above, 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 F to accept or reject my decision before 7 December 2023.

Alex Newman
Ombudsman