

The complaint

Mr and Mrs K complain about how China Taiping Insurance (UK) Co Ltd handled a subsidence claim they made on their home insurance policy.

Reference to China Taiping includes its agents.

What happened

Mr and Mrs K hold a home insurance policy with China Taiping. When their home suffered damage caused by subsidence in September 2018, they made a claim on their policy.

China Taiping accepted the claim and ultimately repaired the damage. But Mr and Mrs K complain about delays in settling the claim, and the costs associated with it. They also complain that China Taiping removed future cover for subsidence from the policy following the claim.

China Taiping didn't think had acted unfairly. So, Mr and Mrs K brought their complaint to us.

One of our investigators recommended it be upheld. She thought that while a claim of this nature was likely to cause distress and inconvenience, there were some delays that China Taiping could have avoided. For those, she recommended it pay Mr and Mrs K £400 compensation. She didn't think China Taiping had acted unfairly in recording the cost of the claim. But she thought it should offer subsidence cover going forward.

Mr and Mrs K accepted our investigator's findings, but China Taiping didn't and asked 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.

Having done so, I'm upholding it. I'll explain why.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr and Mrs K and China Taiping 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.

- The claim took a long time to be settled, but it wasn't a simple claim, and subsidence claims can take time to conclude. The coronavirus pandemic as well as planned holidays, added to the standard monitoring periods lengthening the claim. But I can't fairly hold China Taiping responsible for that.
- That said, there were times where China Taiping could have been more proactive. I understand China Taiping feels differently, but between the period of July 2020 to June 2021 I think it could have done more on the claim. This may have reduced the

time taken to complete, and therefore reduce the impact felt by Mr and Mrs K. For that, it should pay Mr and Mrs K £400 compensation.

- I'm satisfied China Taiping was entitled to record the actual costs of the claim, and what's more, I don't find those costs unreasonable in any case.
- China Taiping should reinstate cover for subsidence. Regardless of whether it's a member of the relevant ABI code, we think it's good industry practice and therefore something China Taiping should do on a fair and reasonable basis to ensure its treating its customer's fairly. China Taiping was the entity ultimately responsible for the rectification work for the subsidence claim, so there's no good reason for it not to carry on offering this cover.

My final decision

For the reasons set out above, I uphold this complaint. To put things right I require China Taiping Insurance (UK) Co Ltd to:

- Pay Mr and Mrs K £400 compensation for the trouble and upset caused by delays
- Reinstate cover for subsidence from the point it was removed

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Mrs K to accept or reject my decision before 15 September 2023.

Joe Thornley
Ombudsman