

The complaint

Miss A and Mr H complain that AA Underwriting Insurance Company Limited (AA) have unnecessarily delayed their subsidence claim, causing further damage to the property.

Reference to AA includes its agents. And I will refer mainly to Mr H throughout this complaint as he has been the main correspondent in this complaint and claim.

What happened

The background of this complaint is well known to both parties. So, I'll summarise the key points I've focused on within my decision.

Mr H raised the subsidence claim in February 2019.

AA instructed a surveyor to review the property in April 2019 and Mr H says the surveyor didn't review the utility room which had the most significant damage in it. This led to a further visit in March 2020. At this visit Mr H made AA aware that a non-working sewer pipe was under the floor of the conservatory and AA said it would organise a camera survey of it. Mr H had also taken down one shed and needed to take another down to replace them but was advised not to do so until the trees were removed. So, he's had the contents of these sheds in several rooms of the home since 2020.

AA instructed Mr H to get quotes to remove the offending vegetation at the beginning of 2020. Due to Covid-19 there were national lockdown and restrictions, Mr H couldn't get a contractor's quote until March 2021. Mr H then followed this quote up with two further quotes in January 2022 and January 2023 as the previous quotes had expired. Mr H and his contractor were chasing for responses from AA's contractor on numerous occasions.

There was confusion around the vegetation involved, however AA didn't promptly resolve this, and the claim stalled until its complaint response in April 2023. AA said it had made several attempts to arrange for the trees to be removed, however Mr H hadn't returned its contact.

Our investigator considered the complaint and upheld it, saying there had been significant delays of two years on the claim which had caused the property to unnecessarily deteriorate. The investigator recommended AA pay compensation of £2,000, progress the claim without further delays and consider any points that Mr H has raised outside of this complaint.

AA disagreed with our investigator's outcome, saying there hadn't been unnecessary delays and disputed it had failed to act on correspondence. Our investigator reviewed AA's comments and provided a revised view of things, saying she now considered there to have been around a year's delay on the claim. Therefore, she recommended the compensation be reduced to £1,000, and for AA to arrange a site visit to review the subsidence damage as the trees hadn't been removed and there is more damage as a result of it and to look at the further damage Mr H had reported.

AA accepted our investigator's revised outcome however Mr H disputed the version of

events that our investigator had relied upon and didn't consider the award of compensation to be sufficient. Therefore, the complaint has been passed to me, an Ombudsman, for a decision.

I issued my provisional findings on this complaint on 31 July 2024 which said:

AA instructed Mr H to get quotes to get the trees cut down and it would reimburse him. Mr H tried to obtain quotes for the tree removal in 2020 however due to the pandemic, he wasn't able to get any until March 2021. The quotes were provided to AA, however it wasn't until beginning of 2022 that AA acknowledged the quote.

In May 2022 AA sent a further surveyor out and Mr H highlighted new damage to a further building at the property, along with increased cracking in the main home. AA responded to say that the damage in the Utility room wasn't covered.

Utility room damage

AA say that the cracking in this area isn't due to subsidence but a result of root intrusions through the superstructure. Therefore, it can't be considered as part of the claim.

I've seen no evidence to support this; I've seen no drainage surveys or evidence of tree roots. The arborist also doesn't mention any tree roots affecting the utility room. In fact, I haven't seen any investigations into the utility room, which is clearly showing signs of damage, which is present in other areas; for example, the living room which is on the same side of the property as the utility room. Therefore, I'm not persuaded that AA has shown it can rule out it hasn't been impacted by the subsidence.

I intend to instruct AA to reconsider this damage including any appropriate investigations, such as a drainage survey as it said it would do at the visit in 2020.

Trees

On the Arborist report completed in November 2019 it has listed G3, T8 and T10 to be removed. From the site plan I can see G3 consists of ten trees.

I have seen evidence from Mr H that shows that two quotes were sent to AA for removal of trees one was for the subsidence claim the other was in relation to a storm claim. AA apologised in January 2022 for missing the quote. And even if I did accept that AA did misunderstand the quotes, I can't see that it responded to Mr H to clarify the matter in a timely manner.

The tree surgeon has also confirmed that they've sent quotes to the insurer 14 times. I haven't seen evidence of this, but I have no reason to doubt its testimony. On the quote for the removal of the trees it says, "carry out works as per the site survey carried out by [named arborist] and attached to this email (Except G19 which is NOT included)."

AA instructed the Arborist and have had this report since the end of 2019, and it can clearly be seen on the report what trees it shows are required to be felled.

The tree surgeon quote is for the works required to remove the above listed trees. Given the number of trees to be removed, I don't think the quote is unreasonable. I also think it's clear that the tree surgeon has quoted for the works needed, and not for anything else. So, I'm unsure as to why AA have been questioning this quote, and unnecessarily delaying the claim.

With regards to delay I can see our investigator has said that even if the report was received by AA in March 2021 that wasn't an avoidable delay as the issue with heave raised in the arborist report needed to be looked into and this was confirmed in an email in July 2021. I appreciate the Covid -19 pandemic would have caused some delay here and that isn't something I can attribute to AA. However, since July 2021, I'm persuaded AA have caused unnecessary delay and I've addressed this later in the decision.

AA say that they made Mr H aware they could go ahead with the removal of G3 and T8 in April 2022 via its portal, also making several attempts to call them. However, Mr H made AA aware, of the reception problems for calls, and that they were having access problems to the portal; therefore, only email contact was requested. I can't see that AA took note of this and therefore I can't say that it did make Mr H aware that they agreed to the removal of G3 and T8 trees.

Mr H have now had the trees removed to try and prevent any further delays and so I intend to instruct AA to pay the invoice totalling £4992.00.

Damage to gate

Mr H says that on an unannounced visit, a contractor scaled their driveway gate to look at the garden. Having done so, this has damaged the gate.

AA say that this complaint point hasn't been put to it previously, however I've seen letters that Mr H has sent to AA about this issue. Given the amount of correspondence that's been sent to AA and hasn't been acted upon, I'm not persuaded that AA wouldn't have been aware of this complaint point.

I've persuaded by Mr H's version of events. Therefore, in the absence of AA evidencing the damage wasn't caused by the contractor, I'm recommending that AA either conduct the necessary repairs or provide a cash settlement for the repairs.

Delays

I consider that AA have unnecessarily delayed this claim and haven't proactively helped Mr H. Instead, it hasn't taken note of the preferred communication methods of Mr H and I'm not convinced it was aware of the trees that were required to be removed as it continued to refer to just two trees where the Arborist report from November 2019 shows clearly there are a group of 10 trees under the reference of G3 to be removed as well as T8 & T10.

I think AA ought to have acted much sooner regarding the tree removal. Even when it says it didn't hear back from Mr H, the claim can't be left without being progressed.

Whilst I acknowledge that the pandemic caused delays for both AA and Mr H, I'm not persuaded that AA didn't cause unnecessary claim delays.

Mr H has noted the impact these delays have had on them, including stress leading to further poor health, worsening conditions in their home including having several rooms unavailable for use due to storing shed contents as well as a rat infestation. I've no doubt that these unnecessary delays would've significantly impacted Miss A and Mr H, therefore I consider that a compensation payment is needed.

As Mr H has now had the offending trees removed, AA as I directed above should complete the further investigations, and it should move to repairs once stability has been confirmed.

My provisional decision

I intend to direct AA Underwriting Insurance Company Limited to do the following:

- *Pay Miss A and Mr H compensation of £1,500*
- *Reconsider the damage to the Utility room and carry out the appropriate investigations including a drainage survey*
- *Cover the cost of tree removal as directed in the Arborist report on receipt of the invoice for £4992.00 and If Mr H has paid it on evidence of payment pay interest at 8% simple from date paid to date of settlement*
- *Conduct repairs to the damaged gate or offer a cash settlement*

Responses to provisional decision

Miss A and Mr H have not responded.

AA have agreed to my provisional 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.

I have not been provided anything further to consider. I'm therefore satisfied that my provisional decision represents an outcome that's fair and reasonable.

Putting things right

I direct AA Underwriting Insurance Company Limited to do the following:

- Pay Miss A and Mr H compensation of £1,500
- Reconsider the damage to the Utility room and carry out the appropriate investigations including a drainage survey
- Cover the cost of tree removal as directed in the Arborist report on receipt of the invoice for £4992.00 and If Mr H has paid it on evidence of payment, pay interest at 8% a year simple from date paid to date of settlement
- Conduct repairs to the damaged gate or offer a cash settlement

**If AA Underwriting Insurance Company Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss A and Mr H how much it's taken off. It should also give Miss A and Mr H a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.*

My final decision

I uphold this complaint for the reasons set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A and Mr H to accept or reject my decision before 12 September 2024.

Angela Casey
Ombudsman