

## **The complaint**

Mr and Mrs A have complained about the way Royal & Sun Alliance Insurance Plc (“RSA”) has handled their claim under their home insurance policy after their house was damaged by a flood.

## **What happened**

In 2012, Mr and Mrs A’s home was flooded. They made a claim under their policy which RSA accepted. RSA arranged for repair work to be carried out. This was completed in 2013.

In January 2017, Mr and Mrs A complained to RSA. They had concerns about the quality of the repair work which had been carried out under the claim.

In March 2017, RSA responded to say that its loss adjuster, having inspected the property, had confirmed that the repair works were poor and required rectification. It offered to arrange for the repairs to be re-done so as to leave the property in the condition it was in before the flood occurred. Mr and Mrs A accepted this offer.

Mr and Mrs A became unhappy with the progress of the new repair work. In December 2018, they complained to us about the way their claim had been handled since the outset.

In May 2019, our investigator issued a view that we couldn’t consider the complaint due to it being time barred. This was because the investigator believed that RSA had issued a final response letter in March 2017 and Mr and Mrs A hadn’t referred their complaint to us within six months of that letter. Mr and Mrs A didn’t challenge the investigator’s view and our file was closed.

Mr and Mrs A continued to be unhappy with the quality and progress of the new repair work. In July 2019, they again complained to RSA. They raised various concerns about outstanding issues, including the adequacy of the new boiler which had been fitted, and drew attention to the amount of time they had needed to devote to dealing with the claim due to its poor handling.

In October 2019, RSA issued a final response letter. It acknowledged that the boiler which had been fitted was not adequate for the property. It agreed to replace this with a suitable boiler. It noted that all snagging issues had now been resolved but nonetheless offered £600 compensation for the poor service provided by its contractors.

Mr and Mrs A were unhappy at RSA’s offer. They referred their complaint to us.

In August 2020, our investigator issued a view recommending that the complaint should be upheld. She considered that RSA had caused considerable inconvenience to Mr and Mrs A through its poor handling of the claim since March 2017. She recommended that it should pay them compensation of £2,000.

RSA initially indicated it would accept the recommendation as a means of resolving the dispute. However, the investigator clarified that this was on top of the £600 offered

previously, meaning the total compensation would be £2,600, RSA didn't accept the recommendation. It considered this was excessive for the circumstances of the case.

In view of the continued disagreement, the matter has been passed to me for a 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.

Let me first of all clarify the extent of this complaint.

This complaint is about a claim which started in 2012. Mr and Mrs A made an earlier complaint to RSA about the quality of the original repair work. RSA responded to that complaint in March 2017 and offered to re-do the repair work. Mr and Mrs A accepted this offer at that time. In December 2018, Mr and Mrs A referred their complaint to us about the quality of the original repair work but in June 2019 our investigator said we couldn't consider this complaint because it was referred more than six months after RSA's final response letter and was therefore time barred.

To clarify, our investigator was wrong about this. RSA's correspondence of March 2017 was not a final response letter and therefore the complaint was not time barred under our rules. However, our rules allow us to dismiss a complaint without considering its merits if we believe that dealing with such a complaint would otherwise seriously impair the effective operation of our service. Mr and Mrs A apparently accepted RSA's proposed resolution of their complaint in March 2017. They waited over eighteen months before deciding after all to refer their complaint about the original repair work to us and furthermore didn't challenge the investigator's view when she said we were unable to consider that complaint. In these circumstances, I do not consider it appropriate for this service to re-visit the issues of the original repair work in this complaint (except insofar as I later explain). I am therefore only considering events since March 2017.

After Mr and Mrs A referred this complaint to us following RSA's final response letter of October 2019, they continued to raise concerns about unresolved issues. RSA said it did not want us to consider events beyond the date of its final response letter and asked that Mr and Mrs A submit a new complaint in respect of these. However, even after the investigator had made it aware of the new complaint, RSA didn't issue a further final response letter to Mr and Mrs A within eight weeks. The investigator therefore advised RSA that she was considering these further issues when she issued her view. I'm satisfied it was reasonable for the investigator to take this approach. I am therefore considering events up until August 2020 when the investigator issued her view.

Let me now turn to the actual merits of the complaint.

Mr and Mrs A accepted RSA's proposed settlement of their complaint in March 2017. However, the new repair works did not start until July 2018. RSA has provided no explanation for this delay but Mr and Mrs A said it was due to RSA being unable to find them suitable alternative accommodation to live in for the duration of the works. Mr and Mrs A said that they eventually found the accommodation themselves. I consider this delay would have caused inconvenience to Mr and Mrs A given that until then they were living in a house which was in need of repair.

When Mr and Mrs A accepted RSA's proposed settlement of their complaint in March 2017, they were under the impression that the re-done works would take approximately 8-10 weeks to complete. In the event, they moved to alternative accommodation in July 2018 and

weren't able to move back to their home until some 22 weeks later in December 2018. The reason the work took so long was apparently because during the course of the re-done repairs, other faults were uncovered which also required re-doing.

I can't reasonably compensate Mr and Mrs A for the first 8-10 weeks they were forced to live away from their home while repair works were carried out. This is because they presumably knew this would be the case when they accepted RSA's proposed settlement of their complaint in March 2017 and therefore this does not represent any failing of RSA which has occurred, or been discovered, since that date. However, at the time they accepted that settlement, Mr and Mrs A would have been unaware of the additional work which needed doing, which caused them to have to live in alternative accommodation for a further 12-14 weeks. And while this additional work was all necessary due to the poor quality of the original repair work, I consider it is reasonable for me to consider the inconvenience which it caused to Mr and Mrs A. In addition to the unsettling experience of living in temporary accommodation, I note they have referred to the time they had to spend travelling regularly between this and their home to check the property had been left secure by RSA's contractors.

After Mr and Mrs A moved back into their home in December 2018, they continued to experience problems. In particular, the boiler which had been fitted was inadequate for their property. The problems which resulted from this caused them further inconvenience.

When RSA issued its final response letter of October 2019, it agreed to replace the boiler with a suitable model. However, problems continued after that date. In particular, the new boiler leaked which caused further damage to the property. At the time of the investigator's view, some of this damage still hadn't been repaired and there were other bits of work, albeit relatively minor, which were still outstanding.

I imagine that Mr and Mrs A are very frustrated to still be dealing with the fallout from a claim which was made over eight years earlier. Clearly, RSA has not handled matters well and should pay compensation to Mr and Mrs A. I have explained what events I can, and can't, take into account in deciding on the appropriate level of compensation. Bearing in mind the trouble and upset which has been caused to Mr and Mrs A over the relevant period, I don't consider that RSA's offer of £600 was sufficient. I consider it should pay a further £2,000, to bring the total compensation to £2,600.

### **My final decision**

For the reasons given above, my final decision is that I uphold this complaint.

I require Royal & Sun Alliance Insurance Plc to pay Mr and Mrs A a further £2,000 in compensation to bring the total amount of compensation to £2,600.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs A to accept or reject my decision before 31 March 2021.

David Poley  
**Ombudsman**