

## **The complaint**

Mr V complains about how Royal & Sun Alliance Insurance Plc have dealt with his claim following an escape of water in his kitchen.

## **What happened**

Mr V has household buildings and contents insurance underwritten by RSA. On 14 May 2020 Mr V contacted RSA to make a claim for damage to his kitchen, following a water leak from a waste pipe behind his washing machine.

Mr V's kitchen is a bespoke painted kitchen, installed six or seven years ago, by a company which has since gone out of business.

Mr V only became aware of the leak on 14 May 2020, when he heard running water in his kitchen. He has home emergency insurance with another provider and when he discovered the leak, he contacted them, and they sent out a plumber who replaced the faulty pipe. Mr V has told us that when the washing machine was pulled out there was a lot of water on the floor which had to be mopped up. And the water had run along the floor behind and under the kitchen units. The plumber told him the pipe had probably been leaking for some time. There's no dispute that there was a leak, and RSA accept that the claim is covered under Mr V's policy. What's not agreed is the extent of the damage caused by the leak, how the claim should be dealt with and, if Mr V is to arrange the repairs himself, the amount of the cash settlement he should receive.

RSA appointed assessors to inspect the damage to Mr V's kitchen. Their report is dated 20 May 2020. The leaking pipe had been replaced before the inspection. The report records that a painted base unit and end panel, including the door had warped. It notes that Mr V has matching items cover on his policy, but due to the limited amount of damage, recommends that a repair to the damaged unit be attempted first. And if this isn't possible a quote be obtained for the necessary remedial work.

Some damage to tiles close to the damaged unit was noted, although the report says that Mr V wasn't sure if this was due to the leak. And it's stated that once the units are removed, the tiles underneath will need to be checked to see if they've been damaged. Mr V is noted to have been concerned that the damaged unit couldn't be repaired to match the rest of the kitchen. The report contains photographs of the kitchen, including the damaged unit and end panel. The tiles near to the damaged unit, appear to be loose.

Following receipt of this report RSA made a number of offers to Mr V to settle his claim. The first offer was £1,000, to replace the damaged unit and repaint the kitchen. This was then increased to £5,000, as RSA agreed that painting the kitchen might be a more specialist job. Mr V wasn't happy with either of these offers and wanted RSA's contractors to replace his kitchen, which had been quoted for in the assessor's report.

A second inspection was carried out on 26 June 2020, when moisture readings were taken in Mr V's kitchen. These were considered normal, so it wasn't thought any drying was required of areas that could be inspected. But it was again noted that there might be water

damage behind the kitchen units, and this would need to be checked when the units were removed. The tiled floor is stated to be cracked and blown, and Mr V said it hadn't been like this before. It's also noted that there's a risk of the granite worktop, around the sink, cracking when it's removed.

RSA obtained a further report in early July 2020 which contains a quotation for the replacement of Mr V's kitchen. But following receipt of this report RSA were advised that one of their contractors could repair the damaged unit and end panel, and replace the carcass of the unit for £1,190 + VAT. So Mr V was advised that this was the limit of RSA's liability, and they weren't prepared to cover the cost of replacing the damaged tiles, as they said these were too far from the source of the leak, to have been damaged by it.

Mr V wasn't happy with this offer and complained to RSA. He said they'd made earlier offers, including replacing his kitchen, which he'd accepted, but now he was being offered far less, and they weren't prepared to cover the damaged tiles, which their own reports said were caused by the water leak.

RSA upheld part of Mr V's complaint, as they accepted that the earlier offers they'd made had been confusing, and offered Mr V £100 compensation for this. But they didn't uphold the rest of his complaint. They said they were satisfied that the limit of their liability was the cost of replacing the damaged unit, carcass and end panel, and that the damage to the tiles wasn't related to the leak.

Mr V wasn't happy with this and complained to our service. Our investigator considered the case and said that RSA had made their initial offers based on information available to them at the time. But they were later told that the damaged unit, carcass and end panel could be replaced for £1,190 + VAT. Our investigator felt this was a fair resolution of Mr V's claim, and that £100 was reasonable compensation for the confusion caused by the earlier offers.

Our investigator said that the terms and conditions of Mr V's policy provided for repairs to be carried out to damaged items, and he felt it was fair for the damaged unit to be repaired, despite Mr V's matching items cover. And he thought that based on the location of the damaged tiles and the technical evidence RSA had sought about this, it was reasonable for them to decline this part of Mr V's claim.

Mr V didn't accept our investigator's opinion and the case came to me for a decision.

Before I drafted my decision, we asked Mr V to provide some further information about the extent of the water leak. He's told us that when the washing machine was pulled out the entire area was soaking wet. While the water was mainly under the units, along the back wall, some had run under the units and was seeping out from beneath them towards the door, where the tiles were later found to be damaged. And he's said that is was one of RSA's assessors who told him the tiles by the door had been damaged, as water had got under them and they were starting to break up. So the cost of replacing the tiles was added to the work schedule he prepared.

Mr V also told us that, the contractor RSA instructed to inspect the damaged unit, told him he could only replace the front of the unit and this would be a short-term fix. Mr V has made good the floor area around the door mat, but he hasn't taken any steps to repair or replace the damaged cabinet, and he doesn't know if this can be matched to the rest of his kitchen. And given how RSA have dealt with his claim, he has little confidence in contractors instructed by them carrying out repairs to his kitchen to an acceptable standard.

We also asked RSA to provide copies of the call recordings of their conversations with Mr V about his claim. They've only been able to provide one call, which isn't particularly helpful, as

Mr V had simply called for an update on his claim after one of the inspections. And as RSA hadn't yet received the report, they said they'd call him when it was received. I understand why RSA haven't been able to provide the other calls, as they've told us staff have been working from home due to the pandemic.

And we also asked RSA to provide some further information about their approach to Mr V's claim and the settlement offer they'd made.

We asked them what steps they were proposing to take to check if there was damage under the kitchen units, as the reports they'd obtained suggested there might be, and why their settlement offer was limited to repairs to the end unit, panel and carcass. They've said that if further damage is found they'll deal with it accordingly on discovery. They've also said that Mr V didn't want his washing machine removed, so they weren't able to check for any damage behind the kitchen units.

We also asked them why they'd declined to cover the damaged tiles, saying they're too far from the leak, when the photographs show they're very close to the damaged unit. They've said that the leak was at the other end of the run of cupboards, and there are two cupboards and a washing machine between the source of the leak and the damaged tiles. And we asked them to provide details of the technical advice they said their approach was based on. This appears to have been provided by another RSA employee, and is simply that the damaged tiles are too far from the source of the leak. And if they were damaged by the leak, they'd have expected more damage to the kitchen units, plaster and skirting boards.

Finally, we asked them why their offer was limited to replacing one unit, when Mr V's kitchen is bespoke and all painted, when they don't appear to have any confirmation that the finish on the repair can be matched to the rest of the kitchen. They've said that their offer is limited to the repair until they know otherwise.

I issued my provisional decision on 8 April 2021. In it I said: -

*I can understand why Mr V is upset and frustrated by the approach RSA have taken to his claim. RSA have accepted that their initial offers were confusing and offered him £100 compensation for this. But I can't see that he's ever been told that they'll consider covering any further damage that's found when the damaged cabinet is being repaired. And they haven't taken into account that Mr V's kitchen is painted, and any repairs may not match the rest of the kitchen.*

*RSA have said that their assessors weren't able to check for any damage behind the cabinets near to the source of the leak, as Mr V wouldn't allow any of them to remove his washing machine. Mr V has told us, and I accept, that none of the assessors ever asked him to move, or attempted to move his washing machine. He'd moved it when the leak first happened to clear up the waste water, which had collected and run along the back wall behind his kitchen units, so I think he'd have moved it again if asked to.*

*So I don't think RSA have done enough to establish whether there is any further leak related damage that isn't currently visible.*

*I also accept what Mr V has told us about how the tiles by his door were damaged. That water from the leak ran along the wall behind the cabinets and settled in the recess under the door mat. While it's noted in one of the reports RSA obtained, that Mr V wasn't sure if the damage was caused by the leak, I think the explanation he's given is reasonable. The water ran across the kitchen, found a recessed area to settle in, undermined the cement the tiles were fixed with and over time they loosened.*

*I'm not persuaded that the offer RSA have made Mr V is the limit of their liability. I haven't seen anything that shows me that if Mr V replaces the damaged cabinet, the repair will match the rest of his kitchen. Given the time that has passed since the leak happened, and how RSA have dealt with his claim to date, I don't think it would be fair to Mr V if I said RSA should reinspect his kitchen and prepare a further estimate for the cost of the repairs, taking into account potential damage behind the kitchen units and repainting the kitchen if the repaired cabinet doesn't match the rest of the kitchen.*

*RSA have already obtained estimates and I think the best way to resolve this matter is to use those as the basis of the settlement of Mr V's claim. I don't think there's enough evidence to say that RSA should cover the cost of replacing Mr V's kitchen, but I do think there's enough evidence to say that it may be difficult to match the colour of the repaired cabinet to the rest of the kitchen. I say this because of the time that has passed since the kitchen was installed and because the company that installed it have since gone out of business. So it's likely to be difficult to find an exact paint match.*

*To resolve his claim, I think RSA should pay Mr V the £5,000 they initially offered for the repair of the damaged cabinet and repainting his kitchen. Mr V has told us he's repaired the damaged floor tiles. If he can provide evidence of how much this cost RSA should pay this is addition to the £5,000.*

*RSA have provided Mr V with poor customer service throughout his claim. And I don't think the £100 they offered him, in respect of the confusing settlement offers they made, is enough. I think £500, inclusive of the £100 previously offered, is the appropriate level of compensation for the trouble and upset he's experienced.*

So my provisional decision was that I upheld Mr V's complaint.

RSA have told us that they have nothing to add to my provisional decision.

Mr V has said he's generally happy with my provisional decision, but he's raised a number of points that he's asked me to consider.

He's concerned that when he complained to RSA, they told him that an expert had reviewed their decision, but in fact it was just someone else in their office. So, he believes they lied to him about obtaining an expert opinion on his claim.

And he didn't say that he wasn't sure if his kitchen floor had been damaged by the leak. What he'd said was that he hadn't realised that his kitchen floor was damaged, until this was pointed out by one of the assessors RSA sent.

Mr V had told us he'd repaired the damaged floor tiles, and I said if he provided details of the cost of these repairs, I'd consider whether this cost should be added to the settlement I'd suggested. He's now told us that he completed the repair himself and it hasn't cost him anything. He's questioned why the cost of repairing the floor hasn't been included in the settlement. But he says he doesn't want to pursue this if it will delay the resolution of his complaint.

### **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 asked RSA to provide a copy of the expert opinion they said they relied upon when reviewing Mr V's complaint, as I wanted to ensure that I'd seen all the relevant evidence

before I drafted my decision. RSA confirmed that the case had been reviewed by one of their in-house experts.

I can understand why Mr V assumed RSA had obtained a further expert report. But it's quite usual for insurance companies to have in-house specialists in particular areas, who review cases if a further opinion is required. So I don't agree that RSA lied to Mr V, and I think they'd have confirmed his claim was reviewed in-house if this had been raised earlier.

From the evidence I've seen I don't think it would be reasonable to say that RSA should cover the cost of replacing the whole of Mr V's kitchen floor. While this cost was included in one of the schedules of work prepared for RSA, this was prepared on the basis that the whole kitchen was being replaced. And it's not possible from this to say whether it would be possible to repair just the damaged floor tiles, rather than replacing them all.

So if Mr V wanted me to consider the cost of replacing the kitchen floor, I'd want to see evidence that the damaged tiles alone couldn't simply be replaced. He's told us that he's been able to repair the damaged area and hasn't cost him anything. He's also said that he wants the matter concluded now and doesn't want to have any further inspections or wait for any costs to be agreed. And taking this into account I'm not going to say that RSA should contribute towards the cost of repairing the damaged floor tiles.

But I remain of the view that RSA should pay Mr V the £5,000 they initially offered for the repair of the damaged cabinet and repainting his kitchen.

And RSA have provided Mr V with poor customer service throughout his claim. I don't think the £100 they offered him, in respect of the confusing settlement offers they made, is enough. I think £500, inclusive of the £100 previously offered, is the appropriate level of compensation for the trouble and upset he's experienced.

### **My final decision**

For the reasons set out above, and in my provisional decision, my final decision is that I uphold Mr V's complaint against Royal & Sun Alliance Insurance Plc.

To put things right I require them to do the following:

- Pay Mr V £5,000 towards the repairs and repainting of his kitchen.
- Pay Mr V £500, inclusive of the £100 previously offered, for the trouble and upset he's experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 5 June 2021.

Patricia O'Leary  
**Ombudsman**