

## **The complaint**

Mr S complains Royal & Sun Alliance Insurance Limited has handled his subsidence claim poorly.

Mr S has had a representative for the complaint. For simplicity I've referred to the actions of the representative as being those of Mr S. Similarly in places I've referred to the actions of its contractors as being those of RSA.

## **What happened**

In November 2019 Mr S made a subsidence claim on his RSA buildings insurance policy. He reported damage to his property allowing rainwater in. He thought it might be caused by the roots of local trees. RSA appointed a contractor to assess the property for subsidence.

In October 2020 Mr S complained about how the claim was progressing. He was concerned as repairs hadn't begun. In response RSA said it would need to monitor the property for movement for up to 12 months. It explained it needed the data to gain the local authority's approval to remove the offending trees. These were removed in December 2020.

Mr S wasn't satisfied so referred his complaint to this service. In November 2021 our investigator considered it. She said RSA hadn't had an opportunity to fully consider some of Mr S' more recent complaint points. These included the breadth of the repairs RSA had agreed to cover. The investigator felt it was reasonable to allow RSA time to consider its response to these points.

The investigator went on to say RSA had made a reasonable decision to undertake only temporary repairs until it was confirmed there was no ongoing subsidence. She said the insurer had been responsible for some unnecessary delay in the progress of the claim. So she recommended it pay Mr S £200 compensation in recognition. RSA agreed to the assessment, but Mr S didn't.

In July 2022 I issued a provisional decision. I explained why I intended to require RSA to arrange for Mr S' property's drains to be inspected for damage, reimburse the cost of his surveyor report and pay him £800 compensation. Those reasons form part of this final decision, so I've copied them in below.

I also invited Mr S and RSA to provide any further comments or information they would like me to consider before I issue a final decision. RSA agreed to take the actions I set out above. It provided a response to a further issue regarding the possible reimbursement of some repair costs paid by Mr S. He provided a range of comments. I've addressed these responses, where I feel it necessary, below.

## **What I've provisionally 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.*

*As this is an informal service I'm not going to respond here to every point or piece of evidence Mr S or RSA's provided. Instead I've focused on those I consider to be key or central to the complaint. But I would like to reassure both that I have considered everything provided. RSA's now had time to respond to Mr S' latest complaint points. So I've considered those I feel are most significant.*

*Central to Mr S' complaint is his feeling that RSA's failed to progress the claim in a timely way. The claim is still ongoing, with him waiting for agreed repairs to take place. For reasons of practicality I've considered what's happened with the claim up to the current date.*

*In October 2021 RSA visited Mr S' property. This was in response to a report produced by Mr S' own surveyor in June 2021. He felt the relevant required works to be more extensive than those specified by RSA's contractor. After some time RSA produced an amended schedule of work. However, as I understand it some works are still disputed.*

*Mr S' surveyor found concrete paved areas had considerable cracking. He recommended these be removed and replaced. However, RSA's refused to consider these areas as part of the claim. It feels cracking to a concrete path and a driveway to be longstanding – unrelated to the subsidence issue. It says the concrete has been laid on soil at shallow depth. In its opinion cracking has occurred through gradual deterioration and thermal movement.*

*I've only been provided with limited information on this issue. So I will reconsider my position if either Mr S or RSA provide anything further. But based on what I do have I don't intend to require RSA to repair the path and driveway. From photos they do seem to be of considerable age. It's difficult to tell from photos but the cracks do look like they are longstanding as RSA say. So I'm currently more persuaded by RSA's argument that this damage is most likely gradual rather than subsidence related.*

*Mr S is concerned drains in his garden have been damaged by tree roots. His surveyor's report recommends the drains are inspected to ensure the integrity of the clay pipes. The report states there's a high chance they have been affected by the roots and subsidence of the ground around them.*

*RSA's refused to consider the drains as part of the claim. However, it seems to have understood Mr S' surveyor to be claiming that damaged drains are the cause of the wider subsidence. That appears to be a misunderstanding. Instead the surveyor feels the drains may have been damaged themselves either directly by the roots or through subsidence of the surrounding ground.*

*It does seem possible to me that clay pipes might be damaged by root growth or subsidence. So I intend to require RSA to arrange to have the drains inspected for any damage. If any is found it should consider it against the full range of perils Mr S' policy covers him against.*

*There's unfortunately an ongoing problem with regrowth, into Mr S' garden from the roots of the removed trees. I accept this is a serious frustration and inconvenience for him. However, I don't intend to require RSA to remove the roots or regrowth. The trees were owned by the local authority. It seems to be taking action to remove the regrowth at least. And I've not been provided with anything to show the regrowth itself is causing further subsidence through clay shrinkage. Again I will reconsider my position on this if I'm provided with any further information.*

*Mr S has raised concern that RSA hasn't provided enough detail, including measurements, on the extent of intended repair works to his property. With the intention of avoiding any further delay to the progress of repairs I'm not going to get involved in the technical detail and specifics. I think a more practical approach will be for RSA to get on with the planned works as soon as possible. If following completion Mr S isn't satisfied, he will be able to raise a further complaint.*

*In December 2021 Mr S paid his own contractor £2,175 to replace three fibre glass roofs. He says he arranged this as he felt water ingress should be dealt with promptly – and he had no confidence RSA would do so in a timely manner.*

*It's difficult for me to say, based on the information I have, that RSA should reimburse him those funds. I don't have much detail of the work, beyond a short description in the invoice. It's not clear if the damage to the roofs was caused by subsidence. I haven't been provided with enough to say it was. I can't see that the work was proposed in Mr S' surveyor's June 2021 schedule of works. Neither have I seen clear reference to the issue in RSA's records.*

*In the interests of progressing this complaint and claim I request that, in response to this provisional decision, Mr S and RSA provide further information on the work, reasons for it and any thoughts they have on the fairness of RSA covering its cost. I'll then decide on the issue.*

*Mr S' own survey cost him £648. The report resulted in additional work, including the garage foundations, being included in the claim. So it will be fair and reasonable for RSA to reimburse him that cost. It should add simple interest at 8% to reflect Mr S being without those funds since August 2021.*

*Mr S has been frustrated by the pace of the claim. Unfortunately subsidence claims by their nature are often slow moving. Monitoring of movement, as required in this case, usually takes many months. Necessary involvement of third parties, like Mr S' local authority, can further slow progress. In this case, unfortunately, Covid-19 restrictions also slowed matters down. RSA seems to have progressed the claim reasonably up until removal of the trees in December 2020. I agree that it wouldn't have been sensible to begin permanent repairs whilst the trees were still in place. And I can see that RSA undertook some temporary repairs before the trees were removed.*

*But RSA's failed to move the claim on in a reasonable manner since the removal of the trees. Its contractor drew up an initial schedule of works in early 2021. I accept Mr S challenged the schedule in June 2021, feeling and showing it to be inadequate. But that doesn't explain why more than a year later he's still waiting for the agreed repairs to begin.*

*RSA made a site visit in October 2021. It agreed to some additional repairs, including replacement of garage foundations. Despite knowing that work would require a structural engineer RSA took until July 2022 to appoint one. It still hasn't started work on any of the other agreed repairs.*

*RSA's provided an explanation for the delay in appointing an engineer, saying there's an industry wide shortage. I'm not persuaded this accounts for a nine-month delay. RSA does accept it hasn't been proactive with the claim during this period. It also agrees the non- garage related work could have started earlier.*

*In my opinion RSA's handling of the claim since early 2021 has been very poor. Its caused long-term unnecessary delay. During this period Mr S says its communication with him has been very frustrating, failing to contact him or respond to his enquiries. Considering its failure to progress the claim I'm inclined to believe him.*

*Mr S reports the long and unnecessary delay in the claim and lack of communication causing him significant frustration, distress and inconvenience. His home has been left in a state of disrepair much longer than it should have been. Mr S and his wife are elderly and in poor health. So I think it's likely the impact on him has been particularly significant. So I intend to require RSA to pay him £800 compensation to recognise the impact of its mistakes during the claim so far.*

*As I say RSA's now appointed an engineer. It says it's now improved oversight of the claim and will provided Mr S with regular updates. I also expect it to complete the repairs as soon as possible.*

### **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.

Neither RSA nor Mr S disagreed with my proposal that it arrange for the drains to be inspected and for any damage to be considered against the full range of perils covered by his policy. The same applies to my suggestion that RSA pay Mr S £648 (plus simple interest at 8% from August 2021 to the date of settlement) to cover the cost of his surveyor's report. As a result, I haven't considered those two issues any further – and I will be asking RSA to do both as agreed.

Mr S felt I hadn't acknowledged the full extent of delays and poor service by RSA. He didn't accept £800 was adequate to compensate him for the impact of its mistakes – including delay. Amongst other comments Mr S said I hadn't considered that RSA had taken 12 months to begin monitoring. However, that doesn't seem to match with the timeline as I understand it. The claim was first made in November 2019. Monitoring began in summer 2020. Trees were removed in the winter of 2020/21. I've considered Mr S' latest comments about delay and service, but I still consider £800 to be a fair amount to recognise the impact of RSA's mistakes on him.

I said in the provisional decision I hadn't seen enough to show damage to the roofs (that he had paid to repair) was caused by subsidence. I asked Mr S and RSA to provide further information on this. Mr S didn't provide anything. RSA explained it had spoken to Mr S about the work. It said it will consider images from before completion and others from a recent site visit. It will use these and any other evidence to decide if the repaired

damage is related to the subsidence. Without anything more persuasive from Mr S this seems a fair approach. So I will require RSA to consider the available evidence for these repairs – and for it to reimburse the costs if it considers them to be subsidence related.

Mr S highlighted continued regrowth from the removed tree's roots. He feels this is causing continued damage to the property. After some discussion with RSA it's agreed to further monitoring for movement. It's said if there is any, it will instruct an arborist to review the vegetation to provide evidence to the tree's owner – the local authority.

I think this is a fair proposal. It's sensible to understand if there is continued movement and for the cause to be addressed. However, the downside is that it means it may not be appropriate to begin permanent repairs until any further movement is resolved. It's not practical or desirable for me to set out exactly what should happen. Mr S and RSA will need to work together to agree the best way forward.

RSA should consider what, if any, permanent repairs can be made now. Where these can't reasonably go ahead it should undertake temporary repairs to ensure Mr S' home is safe and habitable in the meantime.

Mr S said his surveyor attributed the pathway damage to subsidence. I can't see from his report that the surveyor said this directly – although he does include the damage in his schedule of works. Mr S also says the pathway cracks follow the lines of the tree roots. Overall, I've still not seen enough for me to require RSA to repair the pathway damage as subsidence related. However, as RSA intends to do further monitoring it will be reasonable for it to consider the results and available evidence to reconsider if subsidence is the cause of the pavement damage too. If it feels it is then it should cover repairs or replacement as part of the claim.

I've attempted to find practical proposals that progress the claim in a fair and reasonable way. In this case it's not possible for me to set out exactly how the claim should progress. I accept my directions won't bring a quick solution to this long running issue. And that they will require discussion and co-operation between Mr S and RSA to work out the best way forward. In recent months RSA has improved its engagement with, and supervision of, the claim. I hope this continues so this unfortunate episode can be resolved for Mr S as soon as possible. However, if he isn't satisfied with how RSA goes on to handle the remainder of his claim, he can consider making a further complaint.

### **My final decision**

For the reasons given above, I require Royal & Sun Alliance Insurance Limited to:

- arrange for the drains to be inspected and consider any damage against the full range of perils covered by Mr S' policy.
- undertake further monitoring for movement (undertaking any reasonable permanent or temporary repairs as soon as possible to ensure a safe and habitable home for Mr S) to provide evidence for any necessary further preventive work.
- use the monitoring (and other appropriate evidence) to reconsider if the cause of the pavement damage is subsidence – and if it is, to cover repairs or replacement as part of the claim.
- review the available evidence for the fibre glass roof repairs and reimburse Mr S what he paid if it considers the damage to be subsidence related.

- pay Mr S £648 (plus simple interest at 8% from August 2021 to the date of settlement) to cover the cost of his surveyor's report.
- pay Mr S £800 compensation to recognise the unnecessary distress and inconvenience its responsible for.
- 

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 29 September 2022.

Daniel Martin  
**Ombudsman**