

The complaint

Miss W complained that her claim was unreasonably delayed by Royal & Sun Alliance Insurance Limited ("RSA") under her home insurance policy.

What happened

Miss W made a claim to RSA early in November 2020 when her kitchen was damaged by a leak from her dishwasher. RSA's contractor inspected the damage and arranged for the kitchen to be professionally dried in January 2021 as Miss W didn't want disruption during Christmas.

However, Miss W experienced several delays in getting the works done to rectify the damage once the kitchen had been dried. Miss W said this was down to so many different contractors being involved and delays in getting appropriate approvals as Miss W said decisions were "*referred up the chain*".

Miss W said she lost faith in RSA's ability to get the work done in a timely fashion. Miss W said she made "*numerous calls to [different representatives of RSA] over the last nine months and spent hours on the telephone trying to resolve the problems...the issues have been numerous*". So, around September 2021 Miss W accepted a settlement from RSA to allow her to take control of the rectification works and allow her to commission her own contractor.

RSA agreed "*excessive and avoidable delays in [Miss W's] claim progressing have been incurred of approximately (but not exceeding) three months*" as well as causing further delay by not providing information to explain effectively the settlement. RSA paid Miss W £350 compensation for the distress and inconvenience that the delays caused. However, Miss W didn't think this was enough.

Our investigator decided to uphold the complaint. She thought the compensation paid by RSA was fair compensation for the delay between June and September 2021, but she didn't think RSA had considered the period before this, so she recommended increasing the compensation by £150. Miss W still didn't think this was enough compensation, so the complaint has been referred to an ombudsman.

My provisional decision

I issued a provisional decision on this on 17 January 2022. I said:

"I have looked at the timeline of the claim to understand better what delays have occurred from the point the claim was raised to the point the claim was settled around September 2021 and to get a feel for the amount of intervention required from Miss W to progress the claim.

The claim progressed at a reasonable pace up to the point the kitchen was dried out. I can see some interaction took place between RSA and Miss W to clarify what cover was in place and how the policy worked, but I can't see any evidence at this point that there were any

delays.

RSA's timeline of the claim shows there wasn't significant progress on the claim in the early part of January except for the drying out been done which was arranged prior to Christmas. This led to Miss W raising her complaint on 1 April 2021. She said, "the claim was delayed, she hadn't been updated and its been an unpleasant experience".

The timeline evidences minimal activity on the claim until early June, although there are some brief notes about RSA's contractors still completing tasks on the claim. In June 2021, Miss W rejected a settlement of around £4,000 for the claim as she was expecting a figure in the region of £7,000-12,000.

I can see Miss W had to make numerous calls to RSA and its various contractors to try and get updates on her claim and to progress it. Each time Miss W received a less than satisfactory update. From reading RSA's own timeline, there was little progress on the claim until September 2021 until the claim was assigned to a new claim's handler. At which point the settlement was agreed at £13,000. I can see some of the previous delay was down to internal problems with governance causing problems getting costs approved, misunderstandings with the costs (e.g. only including labour costs) and inefficiency sorting out what contribution was required by Miss W due to the policy terms.

RSA accepted it caused a three-month delay from June to September when it decided to pay £350 in compensation. However, I don't think it has considered the period of delay from January to June, when the progression of the claim was extremely slow. There will be some distress and inconvenience with any claim that is normal, as the damage to a property must be validated and necessary works need to be scoped, costed and agreed. However, the claim was first raised in November 2020 and a fair settlement was not put to Miss W until September 2021, some nine and half months later.

Therefore, I don't think £350 is enough compensation for the length of delay that has occurred. There is evidence that Miss W made numerous phone calls herself to progress this claim. She first raised a complaint in April 2021, and it took still a further five months before the claim was resolved fairly. I think the claim was handled poorly and RSA took an unreasonably long time to conclude it.

I have considered what impact these delays had on Miss W. Miss W said "for the last 11 months we have been living in a barely serviceable kitchen, with stripped out walls and no flooring as the original slate flooring had to be taken up. I have [given] hours of my time chasing up progress with the claim, which because of RSA's incompetence and there being so many other companies involved in the process has taken way longer than it should have done. I work full time and have caring commitments both of which are stressful. Having to constantly chase RSA and their contractors to sort out this claim has caused me significant stress and anxiety, and which is being further exacerbated as we now face another three months or so living in a partly stripped out kitchen".

The claim was cash settled in September 2021, so after this point any delays in agreeing contractors would be the responsibility of Miss W, so I can't hold RSA accountable for this. However, I do think RSA has caused avoidable delays and the claim should've been agreed far sooner. If the claim had progressed more smoothly, Miss W would've preferred to get the work completed by RSA's contractors. However, she felt this choice was taken away from her as she couldn't depend on RSA, so she had to find her own contractors. I'm persuaded that the impact on Miss W would've been significant as the claim has been ongoing for nine and half months until it was settled. Furthermore, RSA didn't respond to Miss W when she raised her complaint in April 2021 when she was already showing signs of distress. Therefore, I intend to award compensation of £400 (that's in addition to the £350 that has

been paid) as I think the impact of the RSA's delays has caused considerable distress, inconvenience and disruption that has taken a lot of effort for Miss W to sort out. The impact has also lasted many months. Therefore, I intend to uphold this complaint".

Responses to my provisional decision

Miss W accepted my provisional decision and didn't have anything else to add.

RSA reviewed the claim again and said *"I note that the property was not confirmed as dry until very late February 2021, and on that basis I cannot agree that the full period for additional compensation of January to June 2021 should be considered. On that basis, I feel an additional compensation award of £200 would be more appropriate".*

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.

In my provisional decision, I said the *"timeline evidences minimal activity on the claim until early June"*. I don't think what has been said about drying impacts the overall distress and inconvenience Miss W would've suffered from RSA's actions.

As I've not received any new information, I see no reason to change my provisional decision.

My final decision

My final decision is I uphold this complaint, I intend to require Royal & Sun Alliance Insurance Limited to pay Miss W:

- £400 additional compensation for distress and inconvenience that the delays have caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 14 March 2022.

Pete Averill
Ombudsman