

The complaint

Mrs L complained about Royal & Sun Alliance Insurance Limited (RSA). She isn't happy about the way it dealt with a claim under her home insurance policy.

Other companies have been involved in this complaint, but as RSA are responsible for it, I've just referred to them in this decision.

What happened

Mrs L made a claim under her home insurance policy after subsidence problems at her property. It took RSA a long time to advance the claim and to look to finalise its position on the subsidence claim and Mrs L complained to RSA and then this service about this. And she raised a separate complaint about whether the damage caused at the front of her property in this claim was linked to damage caused to the rear of her property which was declined under a separate claim - but that issue has been advanced separately.

Our investigator looked into things for her and upheld her complaint. She was of the view that RSA delayed the claim significantly and that it should pay Mrs L £350 compensation in acknowledgement of this. This was because RSA contributed to a number of delays that meant Mrs L was left with the stress and worry of dealing with her subsidence claim over a prolonged period. And she felt that RSA shouldn't have left Mrs L to deal with the removal of vegetation that was contributing to the claim herself.

RSA didn't fully comment on the position outlined by the investigator but said that it wasn't responsible for the removal of the vegetation. So the matter has been passed to me for review.

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.

Having done so I think the complaint should be upheld. I note that RSA seem to agree with the general position outlined by the investigator but just feel that the compensation level should be reduced but I don't agree. I'll explain why.

As both sides are fully aware of the issues faced and the various delays caused by RSA in looking to advance Mrs L's claim I don't propose to go over the details or rehearse the arguments again here. I'll simply focus on whether I feel the level of compensation offered is fair.

I can understand why RSA has outlined that it doesn't feel that the removal of the vegetation and cause of the problem was its responsibility. But as our investigator has explained, in subsidence cases where clay shrinkage due to vegetation is the most likely cause then the cause of the movement would need to be stopped in order to carry out any lasting and efficient repair. So, I would expect an insurer to make the removal arrangements and I think in a case like this that would have been the sensible and practical thing to do.

But either way, I think the £350 compensation level is fair in any event. I say this as it isn't disputed that RSA's appointed contractor delayed investigations into the subsidence for many months and the matter has dragged on unnecessarily. RSA has also acknowledged that it wasn't proactive and its communication with Mrs L wasn't good enough. And RSA failed to follow up on the further investigations for months when it was identified that there was still movement at the property.

So, having reviewed the timeline and contact notes from RSA's contractor I'm satisfied that there were a number of delays by RSA. And it took Mrs L's proactive steps for the monitoring of her property to be reconvened. Plus, there were lots of occasions when RSA didn't update Mrs L when she specifically asked for updates or the responses provided were generic and didn't answer her concerns. I accept that claims can be drawn out, especially subsidence claims during the pandemic, but there were numerous identifiable delays. And so, I think Mrs L should be awarded £350 for the clear stress, worry and inconvenience all this caused her.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require Royal & Sun Alliance Insurance Limited to pay Mrs L £350 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 1 April 2022.

Colin Keegan
Ombudsman