

## **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. Mrs L had a problem at the front of her property and one at the rear. RSA looked into things for her and decided the problems weren't related and that there were two separate incidents. It said the one to the front of the property was subsidence and would be dealt with under the policy while the second claim, to the rear, was declined. RSA said this was because this second claim was caused by settlement of the ground under an extension that had been built on poor foundations which wasn't covered under the policy.

As Mrs L wasn't happy about this, believing that both the rear and front problems were caused by the same incidence of subsidence, she complained to this service. Mrs L also raised another complaint about RSA and the general delays she faced in dealing with the first claim. This matter has been looked at separately under another complaint so won't be commented upon in this decision.

Our investigator looked into things for Mrs L and eventually upheld her complaint. She was of the view that RSA should reconsider the second claim in relation to the rear of the property. This was because RSA had eventually decided that the cause of the first claim wasn't as it first thought (clay shrinkage caused by vegetation) and this opened up the possibility that both issues had in fact been caused by the same problem. So she asked RSA to continue its investigation into the damage to the rear of the property and if it found there was an insurable event then it should arrange for any remedial action to be undertaken. And she thought RSA should pay Mrs L an additional £200 compensation (on top of the £100 it had already paid for its poor communication in relation to this claim) for additional stress and upset caused to Mrs L.

As RSA didn't agree 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 know this will come as a disappointment to RSA, but I'll explain why.

As both sides are fully aware of the issues faced I don't propose to go over the details or rehearse the arguments again here. I also think it's important to explain I've read and taken into account all of the information provided by both parties, in reaching my decision. If I've

not reflected something that's been said in this decision it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless it's relevant to the crux of the complaint.

RSA have argued that the damage to the rear of the property and the damage to the front of the property were caused by two different and separate events and causes. It felt the damage to the front of the property was subsidence which had been caused by vegetation. While it felt the damage to the rear of the property had been caused by settlement of the ground under an extension that had been built on poor foundations.

Initially our investigator thought this position was reasonable and that the damage to the rear of the property had been caused by an uninsured event and wasn't covered under the policy. However, this was before she was provided with RSA's full file and more detail about the subsidence claim to the front of the property which was ongoing.

The monitoring reports show that there continued to be movement after the vegetation was removed from the front of the property. And so, this creates the possibility that the original cause of the problems to the front elevation wasn't the vegetation. And RSA's engineer was considering underpinning the front steps as *'The property is built on poor made ground and after the policyholder had removed their vegetation we were under the opinion this wouldn't have the desired effect. This is why we are currently taking the route of a stabilisation scheme'*.

As such, there has been further movement since the vegetation has been removed and RSA are now considering underpinning the front of the property. This would suggest the vegetation was not the cause of the subsidence at the front of the property. Given this I don't think there is sufficient evidence to say the damage to the front of the property and the rear of the property has been caused by two separate events. Mrs L has provided some independent expert evidence that suggests the claim to the rear was subsidence and provided photos that show there has been movement in the garden which may have affected the neighbouring property. And all this suggests that the movement to the rear of the property is a site issue and not a separate event.

Whilst I understand why RSA initially reached its initial conclusion about the damage to the rear of the property and decided that wasn't an insurable event. I think it should've reviewed its position when further evidence came available. By not doing so, RSA has caused Mrs L additional stress and upset over a prolonged period of time so I agree that it should pay Mrs L additional compensation.

Given all of this, I think the fair and reasonable thing to do, in the particular circumstances of this case, is for RSA to continue its investigation to the rear of the property, alongside the front elevation. And if it is found to be an insurable event it should arrange for any remedial action to be undertaken.

RSA should look to do this as a matter of urgency in order to avoid any further delay to settling both claims. And it should pay Mrs L an additional £200 compensation for the stress and inconvenience caused by not re-evaluating its position at an earlier stage.

**My final decision**

It follows, for the reasons given above, that I uphold this complaint. I require Royal & Sun Alliance Insurance Limited to reconsider Mrs L's claim in relation to the rear of her property and pay her £200 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**