

The complaint

Mr and Mrs K complain that Royal & Sun Alliance Insurance Limited (RSA) have handled their home insurance claim unfairly.

What happened

Mr and Mrs K found that a ground floor window wouldn't open and discovered some cracks in their property. After this had been investigated, it was found that a damaged underground pipe may have been the cause – with the ground and foundations being affected.

The pipe was fixed, and Mr and Mrs K claimed for the structural, or subsidence, damage to their property. RSA assessed the damage and while they agreed to some repairs, they said some of it wasn't subsidence related and some of what had been proposed by Mr and Mrs K wasn't necessary – in particular the rebuilding of brickwork beneath the ground floor window.

Unhappy with this, Mr and Mrs K complained. RSA said they suspect the issue being experienced is the result of wall tie corrosion, which has happened over time, or a lack of wall ties due to the loose brickwork. They also said they'd identified defective lintels which affected two windows being replaced.

RSA said they couldn't provide cover for the lintels, but agreed to include the ground floor window due to the nature of the damage and its proximity to the defective pipe.

Mr and Mrs K didn't agree. They said the way RSA had proposed to replace the window wasn't possible and that when they'd spoken to contractors they told them part of the wall would need to be taken down and rebuilt.

Agreement couldn't be reached so Mr and Mrs K came to our service. An investigator here looked into the matter. They concluded that as RSA's schedule of work included the work Mr and Mrs K wanted to be done, then it's unreasonable for them not to follow that schedule.

Although she did agree with RSA that lintel damage didn't need to have been included in the schedule since Mr and Mrs K explained they didn't have them.

While Mr and Mrs K accepted the investigators opinion, RSA did not. RSA said the consumers contractors weren't subsidence experts and that the cracking beneath the ground floor window wasn't typical of subsidence as there was no cracking to the internal walls.

Because of that, the matter has been passed to me to decide.

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.

It's clear in this case that RSA accepted Mr and Mrs K's claim, it is simply a dispute over which areas of the property require repair due to the subsidence. Properties will sometimes have damage from other causes which aren't covered or are general maintenance.

But from what I've seen, I think there's enough to say – on balance – that the repairs Mr and Mrs K are seeking ought to be covered.

Mr and Mrs K provided a report which concluded "*The appearance and pattern of the cracking is consistent with a slight downward movement of the foundation to the front left corner of the house. That is to say that the foundations at this point have subsided*". And while RSA may say they're not experts, the company that completed this report's website says they have particular expertise in subsidence.

The report also identified some minor internal cracking above and below the ground floor window in the reception [front] room.

Because of this I'm not persuaded, from what I've seen, that the brickwork is a maintenance issue as RSA has suggested.

I also note that the schedule of works prepared for RSA says "*Damage to brick work under front window this has become loose (sic) and will need to be taken down and rebuilt*". I note that RSA has suggested the schedule was based on what one of the consumer's contractors had set out and therefore (presumably) hadn't been fully thought through.

I don't think it's likely that someone preparing a schedule for substantial repair work would do that. Particularly as the schedule provided to RSA followed a visit to the property, so they will have been able to assess the damage in person. I think the person who assessed the damage concluded the damaged brickwork was covered and that repairs to it were necessary.

Overall, there's sufficient evidence for me to conclude that Mr and Mrs K's property was damaged by subsidence, and therefore the repairs required to put that right need to be included in the claim settlement.

Putting things right

I require Royal & Sun Alliance Insurance Limited to include the cost of taking down and rebuilding the damaged wall beneath the ground floor window – to then allow for a replacement window – in the settlement of Mr and Mrs K's claim.

I understand Mr and Mrs K would like a cash settlement, so RSA ought to add interest at the rate of 8% per annum simple from the date of loss to the date payment is issued.

HM Revenue and Customs requires RSA to deduct tax from this interest. RSA must give Mr and Mrs K a certificate showing how much tax they've deducted, if they ask for one.

My final decision

I require Royal & Sun Alliance Insurance Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs K to accept or reject my decision before 9 June 2022.

Will Weston
Ombudsman