

The complaint

Mr and Mrs M complain Royal & Sun Alliance Insurance Limited (RSA) have unfairly declined their buildings insurance claim.

All references to RSA also include its appointed agents.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead I'll focus on giving my reasons for my decision.

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 agree with the conclusions reached by the investigator for these reasons:

- RSA have ultimately declined the claim as it says the cause of the cracking was due to the foundation's depth being insufficient.
- The policy says it excludes damage caused by faulty workmanship, poor design or defective materials.
- The original planning application, and subsequent correspondence and plans, between the builder, previous homeowner and Building Control, show the foundations were supposed to be made to extend to 2.2m.
- RSA's investigations show the foundation depths only extended to 930mm. So I think it's reasonable to say the exclusion operates in the circumstances.
- However, I've also considered whether it's fair and reasonable in the circumstances for RSA to decline the claim.
- The extension work was completed around four years prior to Mr and Mrs M purchasing the property. Mr and Mrs M have provided all of the available documentation requested by their solicitor during the purchase period. This includes planning applications and correspondence between the builder and the local authority's Building Control.
- I can also see the plans submitted were signed off and a completion certificate issued by Building Control.
- RSA said this wasn't enough, and Mr and Mrs M should've commissioned a pre purchase survey – which may have highlighted the settlement at the time.
- But it wasn't a requirement for Mr and Mrs M to do this. And although it *may* have highlighted issues, it also may have not. Mr and Mrs M have reported the cracking didn't become visible until around nine years after purchase, and I can't see anything from the information available at the time of purchase that would've reasonably given them cause for concern or prompted them to carry out further investigations.
- So, in the circumstances, I don't think it is fair and reasonable for the RSA to rely on the exclusion it has. So, I think it should now proceed with the claim under the

remaining terms and conditions of the policy.

So, for these reasons, I uphold this complaint.

Putting things right

RSA should now proceed with the claim under the remaining terms and conditions of the policy.

My final decision

My final decision is that I uphold Mr and Mrs M's complaint.

To put things right, I direct Royal & Sun Alliance Insurance Limited to do as I've set above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 11 July 2022.

Michael Baronti
Ombudsman