

The complaint

The estate of Mrs M is unhappy with Royal & Sun Alliance Insurance Limited's (RSA) handling of a subsidence claim made under the late Mrs M's home insurance policy.

What happened

In September 2018 the late Mrs M noticed movement of her conservatory and reported suspected subsidence to RSA, her home insurance provider.

There were delays in a site visit being arranged by RSA, and this was carried out in January 2019. There were then delays in the findings being reviewed, and ultimately the claim wasn't accepted by RSA until April 2019. After this, monitoring took place, and the vegetation suspected of causing subsidence was removed, along with drainage repairs being completed.

Further monitoring was required but was delayed due to wider circumstances relating to the outside environment at the time. And Mrs M also asked for this to be further delayed due to her personal circumstances.

Mrs M sadly passed away in September 2020. And her daughter, one of the executors of the estate of Mrs M, took over the day to day managing and handling of the claim. The property was deemed stable in December 2020, but there were delays in authorising the repair works until March 2021. Works started shortly after.

A complaint was raised with RSA about the handling of the claim and time taken. RSA accepted there had been delays and poor handling and offered £750 compensation to the estate of Mrs M in July 2021.

Following this, there were a number of further issues with the claim including delays and repairs not being completed satisfactorily. Ultimately the claim was finalised, and repairs fully completed, in February 2022.

The estate of Mrs M was unhappy with RSA's handling of the claim and asked this service to look into things.

RSA had only issued a formal complaint final response about events up to July 2021 (and offered £750 compensation). But RSA consented to us considering events post July 2021 too.

Our investigator looked into things and upheld the complaint in part. He said that RSA weren't solely responsible for all the delays incurred in the early stages. He recognised that RSA had offered £750 for events up to July 2021 and said that was more than he would've recommended for what had happened before that point.

The investigator considered events post July 2021. He recognised there were a number of delays, claim issues and poor service. However, he noted one of the executors had

complained about the impact, distress and inconvenience to them directly whilst acting as representative and handling the claim on behalf of the estate of Mrs M.

The investigator said he could only consider the inconvenience to the estate of Mrs M, and that he couldn't compensate an individual representative for the impact, distress or inconvenience to them personally, whilst they were acting as a representative.

The investigator noted the estate of Mrs M had alleged that due to RSA's claim handling, it had incurred additional costs relating to the property. But he said that whilst there had been delays, it was impossible to say when the property would've sold, or when the expenses that the estate of Mrs M would've otherwise been responsible for most likely would have ended. However, he said the property might have been placed on the market sooner, so for the inconvenience to the estate of Mrs M, he recommended a further £400 compensation be paid. But he didn't recommend RSA cover the costs the estate of Mrs M had asked for.

RSA accepted the investigators recommendations and increased compensation. The estate of Mrs M didn't agree and asked for a final decision from an ombudsman.

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.

I don't intend on commenting individually on every event or action that occurred throughout the history of the claim. I don't mean this as a discourtesy to either party, but both parties are already aware of what has happened, and it isn't disputed. And RSA accepts there have been service failings during the claim, which is why they offered compensation in July 2021, and accepted the investigator's recommendations for further compensation.

Instead, I'll focus on what I believe is important in reaching a decision which is fair and reasonable in all the circumstances of the case. And I'll reference some of the key things that happened. Having said that though, I'd like to reassure both parties that I've considered all the information they've provided when reaching my final decision.

There are two distinctly different parts to this claim and complaint, and it'll be helpful for me to explain that first, before outlining my findings.

Mrs M made her claim in September 2018. Sadly, she passed away in September 2020. I can consider the impact to Mrs M during this time. She was the policyholder; it was her policy and she was the customer of RSA.

When Mrs M sadly passed away, the policyholder then became the estate of Mrs M.

Under the rules which allow us to consider complaints (the DISP rules in the Financial Conduct Authority Handbook – available on their website), this explains that the complaint needs to be brought to this service by an eligible complainant. The eligible complainant here, after Mrs M sadly passed away, is the estate of Mrs M. As it is an estate, it can't suffer distress, but it can suffer inconvenience.

Whilst I recognise one of the executors chose to act as representative of the estate of Mrs M and handled the claim on the estates behalf, they aren't the policyholder, or an eligible complainant in their own right or personal capacity, instead the estate of Mrs M is. This means I can't consider the impact, distress or inconvenience to the representative personally, as they aren't an eligible complainant in their own right. Therefore, I'll be considering the inconvenience to the estate of Mrs M after it became the policyholder.

With any claim there will always be a level of inconvenience, and here the inconvenience and poor service was experienced directly by Mrs M, until the estate then took over matters. And it is accepted by all parties that the claim was handled poorly, there were delays and a number of other service issues throughout the duration of the claim.

For example, there were several months delays in the first site visit occurring, and then subsequent delays in the outcome of that site visit being reviewed and the claim being accepted. This then caused a delay in monitoring, which needed to be completed, along with drain repairs, to ensure the property was no longer moving and was stable.

There were some periods where RSA wasn't solely responsible for the delay though, including wider restrictions in the outside environment, and Mrs M asking for things to be delayed due to her personal circumstances. And monitoring a property to check it has stopped moving will always take an extended period of time due to its very nature.

But when the estate of Mrs M was then involved, there were delays between the property being confirmed as stable, and the repair costs being authorised by RSA. And RSA's concern over repair works and costs from quotes they obtained caused further delays when further assessment was needed.

RSA recognised the claim hadn't been handled reasonably and paid £750 compensation up to July 2021. And I don't think that amount at that time was unreasonable in the circumstances for the impact to Mrs M initially, and later, the inconvenience to the estate of Mrs M.

After this though, there were multiple issues and delays which caused the repairs to take much longer than they were initially scheduled for. I'm not going to revisit every single event that went wrong, but it is clear from the information that things didn't go smoothly, there were clear periods of avoidable delays, and the estate of Mrs M needed to chase for regular updates on the claim.

Some delays were outside RSA's control, for example, a shortage of available contractors and a ten-week lead time for a new conservatory, which arrived and had a windowpane broken which needed replacing.

It's also not unusual for snagging works to be required after initial main works are completed, which is what happened here, from electrical works to the plumbing. And it does seem there was difficulty in these being completed, due to contractor availability, and unplanned unforeseen events such as vehicle accidents and tradesmen suffering personal injuries.

Having considered everything though, whilst RSA offered £750 compensation, up to July 2021, I also think further compensation is warranted beyond that too. This is to take into account the impact on the estate of Mrs M. But as I say, I can't make awards for the personal impact, distress or inconvenience to the representatives personally or individually. Having considered everything, I think a further £400 compensation is fair and reasonable in all the circumstances of the case.

However, whilst I'm directing RSA to pay additional compensation, separately I'm not going to direct RSA to pay what the estate of Mrs M has additionally asked for - £10 per email that was sent by the estate, £5 per phone call made, or a fee for each individual visit to the property that needed to be made. With any claim there will be inconvenience naturally as a result of being in a claim situation, calls and emails, and visits to the property will always be required. And that responsibility was passed to the estate of Mrs M when she sadly passed

away. Whilst I'm not directing RSA to pay those amounts asked for, I've taken into account that things did go wrong when considering the appropriate level of compensation overall.

The estate of Mrs M also says that due to RSA's poor handling of the claim, this then led to a delay in the property being able to be marketed for sale. They've said as a result they'd like RSA to pay for all utilities, insurance, gardening, council tax, weekly checks on the property, fuel and loss of interest on funds from the sale of the property.

However, these costs would always have been the responsibility of the estate of Mrs M after she sadly passed away. And from the information, an estate agent was appointed in January 2022. I accept there were delays in works overall being completed, but also note some outstanding works were snagging works and relatively minor, in fact the correspondence reflects the estate agent was doing viewings whilst this was ongoing after being appointed by the estate of Mrs M in January 2022.

In any event, whilst the property might've potentially have been able to be marketed by an agent sooner, it's impossible to determine with certainty whether it would've sold at an earlier point in time, or consequently whether those natural costs would've ceased to be the responsibility of the estate of Mrs M at any time earlier.

With this in mind, I'm not going to ask RSA to cover the costs the estate of Mrs M have asked for. But I do accept there was poor claim handling and delays which lengthened the overall timescale, which is why I'm directing RSA to pay £400 additional compensation, as I've outlined above.

My final decision

It's my final decision that I uphold this complaint in part and direct Royal & Sun Alliance Insurance Limited need to:

- in addition to the compensation already offered, pay the estate of Mrs M a further £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs M to accept or reject my decision before 19 August 2022.

Callum Milne
Ombudsman