

The complaint

Mr Z complains about Royal & Sun Alliance Insurance Limited's (RSA) handling of his complaint following damage caused by a flood under his home buildings insurance policy.

What happened

In January 2021 Mr Z noticed flood water in his home. This was caused by a build-up of hard-core material in the drains from building work carried out nearby. The cause of the flood was resolved, and Mr Z made a claim to RSA for the damages to his home.

Mr Z complained to RSA because of a number of issues in its handling of his claim, but primarily about the time taken to complete the repair work. He contacted our service in November 2021. At this time his claim was still ongoing, and repairs had yet to be finalised. Mr Z hadn't received a final response to his complaint, but due to the time elapsed we agreed to consider his complaint.

A cut-off date for mid-January 2022 was confirmed for our investigation. Any issues occurring after this time are to be raised separately.

Our investigator upheld Mr Z's complaint. He says there were several avoidable delays in RSA's handling of the claim. This includes delays in communication between RSA's appointed contractors and agents, incorrectly recording Mr Z's contact information, failing to order materials, and arranging work prior to the necessary preparations taking place first. In addition, he says Mr Z had to regularly chase for updates from RSA as he wasn't kept informed of progress.

Our investigator thought RSA's handling of the claim had caused inconvenience due to the delay in completing the repairs, and for the efforts required from Mr Z to obtain progress updates. He thought RSA should pay Mr Z £500 compensation, as a fair way of acknowledging these issues.

RSA accepted this outcome. Mr Z didn't. He says the impact on his everyday life has been significant and isn't adequately reflected by a payment of £500. He asked that an ombudsman review his complaint.

It has been passed to me to decide.

I issued a provisional decision in June 2022 explaining that I was intending to uphold Mr Z's complaint. Here's what I said:

provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

RSA accepted Mr Z's claim for damage caused by the flood under his policy. This isn't in dispute and I needn't consider this point further. My remit here is to consider whether RSA

handled Mr Z's claim in a fair and reasonable manner in arranging the repairs to his home.

I have read through RSA's claim records in detail, which include contact between it, its contractors, and agents, as well as the contact it received from Mr Z. I have briefly summarised the events relating to his claim, below.

The floor tiles in place at Mr Z's home were found to contain asbestos. Work had to be postponed whilst tests were completed, and the material was then removed and disposed of in mid-February 2021. The wall coverings were also tested but proved to be negative for asbestos, which is confirmed in RSA's records at the beginning of March.

Around this time RSA's records show it offered to arrange storage of Mr Z's possessions whilst work was ongoing. Mr Z thought it would be possible to store items in his house whilst the work was carried out, which is what was done.

Drying works were carried out once the asbestos hazard was removed. At the start of April 2021, the contractor told RSA of possible damage to the rear side of plasterboard walls. Mr Z called in mid-April to say he was concerned at the lack of progress and the delay in receiving a response to his contacts. At the end of April, he sent an email detailing the failed promises he had received from RSA about when work would take place, and the lack of progress. At this time Mr Z pointed out that it was approaching 100 days from the date of the flood and repairs were far from complete.

Discussions took place between Mr Z and RSA's contractor regarding the replacement flooring. A bitumen damp proof barrier had been in place originally, with tiles and carpet on top of this. I understand Mr Z initially wanted the flooring replaced like for like. But around the beginning of May 2021 he agreed that the floor could be laid with a damp proof membrane (DPM) with laminate flooring on top.

In mid-May 2021 RSA emailed Mr Z following concerns he raised about the contractor responsible for installing carpet for the staircase. It was agreed at this time that he could source a carpet himself and include the cost of installation with his chosen supplier, which would be covered within his claim.

Further discussion took place around this time concerning replacement wallpaper. There was no obvious break in the decoration, which meant that a section of wall undamaged in the flood would need re-papering. It was agreed that this could be included in the claim.

In June 2021 it was confirmed that books on the remaining shelves would need removing before works could be carried out. Mr Z thought it would be possible to store these in his home, although RSA did offer to arrange alternative storage. I understand from the records that the wallpaper was removed at the beginning of June. At the end of June, I can see RSA chased its contractor for a progress update. In mid-July the contractor confirmed its appointed decorator had a three-week lead time. Other trades were noted to be concerned as they couldn't carry out works until mid-August.

I can see that Mr Z contacted RSA again at the beginning of August 2021 to again express concerns at the delays and lack of contact. In the second week of August, RSA's contractor says Mr Z had asked to revert back to having tiles and carpet for the flooring. RSA agreed to this. From Mr Z's emails he explains that this is because the flooring he chose was now out of stock. He says this is because of the contractor's delays. He thought it would be better to revert to the original form of flooring to avoid further delays.

It was agreed that a DPM would be covered within the claim and laid beneath a screed layer. I note that Mr Z asked that bitumen be used as had been part of the original flooring. An

internal note from the contractor shows that a delay was expected whilst the bitumen works were arranged. This was chased by RSA with the contractor at the end of September 2021.

At the beginning of October 2021 Mr Z contacted RSA to say the screed had been delayed until the bitumen damp barrier had been installed. He says it is now 255 days since he made his claim and he still had no clear idea when the repairs will be completed. Mr Z says he had to cancel his birthday celebrations at his home and was worried that Christmas plans will also need to be cancelled.

Mr Z confirms skirting boards and his home contents were moved in readiness for the bitumen to be installed. But in mid-October 2021 when the contractor attended, he says the work couldn't be done. He says the floor level would be raised by 20mm with the application of the bitumen. Skirting that had heating pipes attached would need removing, internal doors would also have to be removed and altered to fit, and the area had to be free of debris and dust, which it wasn't.

I can see from the notes that RSA's contractor thought it was Mr Z that hadn't allowed the bitumen contractor to complete the work.

RSA contacted Mr Z at this time to say it would resolve the matter. It was agreed in late October 2021 that bitumen wouldn't be used, and the plans would revert back to using screed with tiles laid on top of this. The screed was laid at the end of November. RSA's contractor says Mr Z then asked the day after this was laid for bitumen to be used. The contractor says it had to move its trades people on to another job as a result of this change of mind.

I can see Mr Z spoke to RSA in mid-December 2021. The call note says he was concerned with the aggressive language that had been used by its contractor. It also says he is insistent that a vapour barrier – a thin layer of bitumen that can be laid with a roller or brush – can be applied to match what was in place originally. Mr Z says the tiles the contractor brought were also the wrong colour.

RSA agreed to appoint a different contractor to complete the repairs in Mr Z's home. It was agreed for it to visit his home to survey the remaining works around mid-January 2022.

Having considered all this, it's clear that it's taken around 12 months to reach this point - where a significant amount of the repairs are yet to be completed. I asked RSA to clarify what repair works were still outstanding as of mid-January 2022. It responded with a schedule showing what was required.

The schedule shows that a screed and liquid DPM are to be laid in the music room, hallways, and computer room. As well as laminate flooring to be laid with an underlay in these areas. This is in addition to redecoration throughout the damaged area, stairway and into the first floor.

The schedule of works was supplied by the new contractor in March 2022. I'm not considering issues beyond mid-January, but this is useful to identify the works outstanding at this time.

I accept some parts of the required work was completed by RSA's contractor. This included some work to strip out damaged materials, dry out the property and carry out plastering and some other preparation work. A partial screed was also laid. But it took a long time for this work to be carried out. I don't think RSA has shown that it was reasonable for it to take 12 months to reach this point, where there was still a lot of work left to be completed.

From the records I note Mr Z complained on a number of occasions about the standard of communication with RSA and its contractor. He says it took a long time for a response to be provided when he raised concerns. This is supported by the claim notes and email correspondence I have seen. I think this shows communication was not of a standard Mr Z should reasonably expect to receive. And that this has contributed to the delays experienced in work being carried out.

Mr Z changed his mind about the type of flooring to be used, which I acknowledge did cause some delays. There appears to have been some confusion about the bitumen damp proof barrier that had been in place originally. I understand this had been removed by RSA's contractors during the initial strip out works. What Mr Z describes as a thin layer applied with a paint brush or roller is very different to the 20mm thick bitumen layer proposed by the contractor RSA arranged. Based on the current schedule of works the bitumen damp proof barrier isn't now being used. I think the delays and confusion relating to this point is something that could've been avoided had the standard of communication been better.

Mr Z's change of mind regarding the floor repairs aside, I can't see that RSA has shown why it should reasonably have taken so long for repairs to be completed. From March 2021 the property was dry, and RSA's contractor was in a position to instruct the relevant trades to complete the repairs and arrange for decorating to take place. I think RSA behaved reasonably to accept Mr Z's choice of flooring and to include non-damaged sections of the property in the re-decorating. But the progress achieved by its contractor was very slow over this period. I think it's reasonable for Mr Z to have expected the repairs to have been completed far earlier in 2021.

I acknowledge a new contractor was instructed after Mr Z raised his ongoing concerns with RSA again in December 2021. Given Mr Z had little confidence in the original contractor I think this was reasonable. But this also meant further delays whilst the new contractor scoped out the work and in waiting for it to be available to complete the repairs.

I have thought about the impact all of this has had on Mr Z. He describes significant disruption to his and his family's daily life. This includes not being able to socialise in his home and not being able to host guests overnight or for longer stays. He refers to birthdays and Christmas celebrations as well as dinner parties that couldn't take place. Mr Z says the ongoing works have meant he can't relax and listen to music or watch films in a comfortable lounge. He also describes how this ongoing situation has caused significant frustration and distress for him and his family.

A certain amount of disruption is unavoidable when a claim such as this occurs. But we expect an insurer to handle the claim effectively. What I have considered here is whether Mr Z has been caused distress and inconvenience that could reasonably have been avoided. In the circumstances described I think he has, and this has gone on for a significant period of time. I think it's reasonable for Mr Z to have expected repairs to be completed far sooner.

Mr Z raised concerns on a regular basis, which I think could have been responded to quicker and more effectively. I can understand his frustration that little progress appeared to have been made and explanations weren't provided until he contacted RSA. Mr Z was able to continue living in his home. But the stripped-out rooms, stored goods, dust and debris severely disrupted its use. Effectively this meant a large section of his home couldn't be used as it normally would for over 12 months. I acknowledge RSA did offer to arrange storage for Mr Z's possessions. Had he agreed this could've meant less stored items taking up space in his home. But I don't think he expected the repairs would take in excess of a year to complete when he decided not to store his possessions elsewhere.

In the circumstances I don't think RSA treated Mr Z fairly when handling his claim. Because

of this I think it's reasonable for RSA to pay him £1,000 compensation. This is to acknowledge the inconvenience, frustration and distress caused by the delayed restoration of his home, the poor standard of communication and the impact this had on him and his family during this time.

I said I was intending to uphold Mr Z's complaint and that RSA should:

- pay £1,000 compensation to Mr Z for the inconvenience, frustration, and distress it caused him.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

RSA responded to say it accepted my provisional decision.

Mr Z didn't respond with any further comments or information for me to consider.

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.

As neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that Royal & Sun Alliance Insurance Limited should:

- pay £1,000 compensation to Mr Z for the inconvenience, frustration, and distress it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 13 September 2022.

Mike Waldron
Ombudsman