DRN-3659589

The complaint

Mr and Mrs C have complained about delays by Royal & Sun Alliance Insurance Limited ('RSA') in settling their claim under their home insurance policy regarding floor damage.

What happened

Mr and Mrs C's kitchen floor suffered damage in 2017 after a kettle bell weight had been dropped onto the tiled floor. They'd made a historical complaint to this service. The outcome required commission of an independent report and for RSA to review the claim in the light of this report. The relevant report considered that tiles had failed due to floor movement. It had been the investigator's view that Mr and Mrs C should be given the opportunity to arrange for subfloor work completed. Once this had been done, RSA was then to repair the tiles that had been damaged (and already replaced on one occasion) as per the policy provisions.

Mr and Mrs C were frustrated with delays in progressing the matter. They were happy to complete subfloor work, but they complained that RSA wouldn't appoint a contractor until they had quotes for the works to be completed. Due to the pandemic, this took longer than expected, but in November 2021, Mr and Mrs C submitted quotes for the work and materials. They said they'd had to instigate all communications with RSA. They'd expected payment of costs for RSA's element of works in advance in order to speed up the process and so as not to be out of pocket. They complained that RSA had caused distress due to the ongoing delays and lack of communication. In the circumstances Mr and Mrs C referred their complaint to this service.

Our investigator upheld Mr and Mrs C's complaint and noted lengthy delays and confusion about the next steps following receipt of the independent report. Our investigator acknowledged there was a delay of five months due to waiting on Mr and Mrs C to send in quotes requested by RSA. She also noted that RSA eventually came to a final financial settlement with Mr and Mrs C in July 2022, however she couldn't see why it took a further six months to come to this point. She didn't think 17 months to settle a claim was reasonable. In recognition of the delays and inconvenience caused, it was her view that RSA should pay Mr and Mrs C £300 in recognition of this. For clarity, she said she was not commenting on anything prior to January 2021, as this had been addressed previously.

RSA accepted this view however Mr and Mrs C remain unhappy with the outcome. They considered that a greater compensatory award was appropriate for the upset and stress caused, by what they refer to as RSA's inactivity and excessive delay. In the circumstances, the matter has been forwarded to me to make a final decision in my role as 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.

Settlement of the substantive amount claimed by Mr and Mrs C has been achieved. The remaining question for final determination is whether it's fair and reasonable to award compensation and if so, what level of compensation is fair and reasonable.

I turn firstly to Mr and Mrs C's submissions. Mr and Mrs C referred to the background context. They said that RSA wouldn't appoint a contractor until Mr and Mrs C had obtained quotes for the subfloor work to be completed. They said that due to the Covid pandemic, this took longer than expected, but in November 2021, they did submit quotes for the work and materials.

Mr and Mrs C complained that they had no communication from RSA and had to instigate all communication. Eventually they said they were asked to pass on details of their builder, which had already been sent, for assurance that sub floor work would be completed. They said that RSA had originally offered to pay the costs for the removal of the old flooring and preparation for retiling but now wanted evidence that the subfloor work had been completed before they would pay for the tiling. By March 2022, they considered that RSA had reneged on this understanding, as they weren't including the cost for lifting the floor, removal of waste, damage to plywood flooring and decor and refitting of heating mats.

As to the cost and timing of works, Mr and Mrs C explained that they required all the flooring removal and preparation costs to be paid in advance*, 'so that we could purchase materials and get tradesmen booked.'* They explained that tradesmen were busy, and they didn't want to be in a situation where they could *'only get half the work done, await payment of costs then wait again for a tradesman to be available.*' They were also concerned that since they submitted the cost of material in November 2021, they felt there was a good chance that material costs would have increased, and they didn't want to be *'out of pocket'.* They wrote to RSA in March 2022 to *state 'We feel it would be logical to settle the claim in full, so we can get all available contractors on board, available at the same time and materials ordered, all in the shortest amount of time to reduce inconvenience to a minimum*.' They explained that once the original floor was lifted, they would look at the subfloor and carry out any necessary works, at their own expense.

During the period of dispute over an appropriate settlement, Mr and Mrs C said that their floor had continued to deteriorate and had become *'more unsafe with cracks becoming larger.'* They'd hoped to have the work completed by Christmas 2021, due to family celebrations taking place in 2022. They said that the waiting, lack of communication and stress was becoming unbearable. They were frustrated by what they felt was apparent stalling and lack of commitment by RSA to honour previous findings of the service.

In conclusion, Mr and Mrs C's overall complaint was in relation to the time taken to settle the matter since their initial claim. They also noted that they'd been living with an unsightly and potentially dangerous floor for a long period of time. They said that all communication had been *'one sided'* as they'd also always had to initiate it and RSA asked for information already submitted. Finally, they referred to stress caused, including release of payments and said; - *'this felt like a game due to RSA only permitting small amounts at a time to be given.'* Mr and Mrs C felt that mistakes, lack of communication on the part of RSA and constant delays resulted in sustained upset and distress, having to go over old ground. They said that the disruption to their daily lives was immense and it felt like a massive cloud hanging over their heads. Finally, the said that RSA hadn't informed them that a payment was being made in July 2022. They said that if they'd known, they could have tried to engage contractors.

Mr and Mrs C felt that this service's compensation guidelines indicated that an award of over £1,500 and up to around £5,000 would be appropriate *'where the mistakes cause sustained distress, potentially affecting someone's health, or severe disruption to daily life typically lasting more than a year.'*

I now turn to what RSA have said about the necessary tiling work. In March 2022, it stated *'…the works required to the sub floor would not form part of this claim, as not damaged in the original incident of dropping a kettle bell on the tiled kitchen floor. The adjudication by the*

FOS advised that that the sub floor should be inspected and if works required to it for you to address and pay for these issues and then we would pay for the refitting of the affected flooring tiles.'

It initially confirmed to Mr and Mrs C that it would offer the cost of the uplift and fitting of the floor in the sum of approximately £3,400 and confirmed that this would be in full and final settlement of the claim, and once paid the file would be closed. In April 2022, it then confirmed the settlement offer to be approximately £6,400. RSA then called Mr and Mrs C in June 2022, asking what they would accept as final settlement. They referenced a figure of approximately £9,300. On checking current quotes however, this went up to approximately £10,100. RSA confirmed payment in July 2022.

I've considered all submissions and evidence provided by both Mr and Mrs C and RSA, including the claim notes. RSA has eventually paid Mr and Mrs C's amended total claim for just over £10,100.

I sympathise with Mr and Mrs C in relation to the catalogue of disruption and stress which they've suffered in relation to what was originally a straightforward claim for damage to their kitchen floor caused by a kettle bell weight, dropped onto their kitchen floor. What I cannot say is that all of this disruption and stress was caused by RSA's approach to the matter. I note that there was an on-going dispute as to what exactly and how much RSA should be responsible for paying and also as to the timing for this payment. I appreciate the difficulties and frustrations experienced by Mr and Mrs C not only from January 2021 but also previously. This decision however relates only to RSA's actions from 2021 onwards.

I'm satisfied that the evidence points to on-going problems with the subfloor to the kitchen and/or to the joists below. This appears to be confirmed by the independent report obtained in 2021. The next steps from the investigator's previous view was that Mr and Mrs C should be given the opportunity to get subfloor work completed. Only once this had been done was RSA then expected to repair the tiles that had been damaged. What I'm therefore unable to say is that it would have been unfair or unreasonable for an insurance company to seek to be assured that any such issues had been resolved before paying for further tiling work. This would minimise further damage. I can likewise appreciate why Mr and Mrs C wished to avoid a situation where they could only arrange one portion of the work for which they were responsible, then receive RSA's payment for the insured works and then to have to wait again for tradesmen to be available.

As to the proportion of work for which RSA was responsible, again I appreciate the on-going frustration for Mr and Mrs C. This was not a straightforward claim however where it was likely that all damage was covered by an insured event. There was clearly confusion as to how much of the associated work might be linked to any sub floor or joist issues, and how much was due to the insured event. Figures were also being updated over the course of recent months.

Negotiations around such issues invariably take some time, and some delays during complex negotiations are inevitable. I nevertheless find that RSA didn't communicate clearly and adequately with Mr and Mrs C over the past 17 months and that it added to the confusion. I also consider that it unnecessarily delayed some aspects of the deliberations. I agree with our investigator that this length of time to settle a claim isn't reasonable.

Mr and Mrs C have referred to the service's guidance on compensatory awards. I accept that the stress upon them has been for a long period of time. However, this decision can refer only to the delays which are the subject of the current complaint. As above, whilst I accept the extent and impact of this stress and inconvenience caused to Mr and Mrs C, I consider

that this was caused by a variety of factors. It would not be reasonable to state that the delays and negotiations were all unavoidable or down to RSA's actions or inactions.

In conclusion, I uphold Mr and Mrs C's complaint, however I agree with our investigator that £300 is a fair and reasonable award of compensation in all the circumstances.

My final decision

For the reasons given above, I uphold Mr and Mrs C's complaint and require it to pay £300 for the distress and inconvenience caused to Mr and Mrs C. However, if this sum has already been paid, I don't require Royal & Sun Alliance Insurance plc to do any more in response to their complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 24 September 2022.

Claire Jones
Ombudsman