

The complaint

Miss T complains about how Royal & Sun Alliance Insurance Limited (RSA) handled her claim on her contents insurance policy.

References to RSA include the agents it involved in Miss T's claim.

What happened

Miss T claimed on her contents insurance policy with RSA for smoke damage to her contents caused by a fire at a neighbour's property.

RSA accepted Miss T's claim and has been progressing it. But Miss T is unhappy with some aspects of RSA's claims handling. In particular, Miss T says:

- At first, RSA told her incorrectly her contents policy didn't cover smoke damage.
- Initially, she did all her own laundry, including taking items to be dry cleaned when she didn't have transport.
- RSA didn't tell her how the specialist cleaning company it contracted to clean and restore her contents would carry out its work.
- RSA's specialist cleaning company didn't pack up all of her clothes for storage – some were left in her wardrobe in her unheated home for more than six months and became mouldy – while other textiles etc were packed up without being cleaned first.

Miss T says she can't begin to describe the impact on her mental well-being of "*constant misinformation, chasing for work to get done, having to argue to have my items replaced at the value they were bought at and having to dispose of things that I will never be able to replace*". And Miss T says her life as a freelancer "*continues to suffer*" because of the time it's taken her to deal with the claim.

The investigator who looked at Miss T's complaint upheld it and recommended RSA pay Miss T compensation of £250 for the distress and inconvenience its incorrect information and inaction over her clothing had caused her.

Miss T is disappointed with our investigator's findings. She says the compensation he recommended doesn't even cover one day at her daily rate as a freelancer. And she says there was significant delay and huge inconvenience when her items were all initially packed without any cleaning taking place, meaning they had to be sorted through again.

RSA also doesn't agree with our investigator's findings. It thinks an award of between £100 and £150 is more appropriate. RSA says any damage has been (or is being) reviewed as part of Miss T's claim. And it says its ability to handle the claim has been affected by the action/inaction of other insurers involved in buildings insurance claims connected to the neighbour's fire.

So Miss T's complaint has come 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.

Having done so, I've decided to uphold Miss T's complaint. For the reasons I'm about to give, I think RSA should pay Miss T compensation of £250 for the distress and inconvenience some aspects of its claim handling have caused her.

Miss T says after being told initially by RSA that her insurance didn't cover her for smoke damage, she started to clean her home herself which meant *"not only inhaling much of the existing soot but taking time to do something that I should be covered for by my insurance policy and putting my health at risk in a potentially unsafe building"*. She says having to deal with her smoke-damaged contents herself deal, including taking them to dry cleaning and laundry services without any transport, *"doesn't seem something I should have been doing"*.

RSA says that, within a day, it acknowledged it had made a mistake in telling Miss T her claim wasn't covered. But for that time Miss T experienced considerable stress and was put to a lot of extra trouble. So I think it's fair and reasonable RSA should compensate Miss T for the distress and inconvenience this caused her.

Miss T has also said from the start she didn't know what the procedure was for dealing with her smoke damaged contents and that *"I've just been unaware of what I should expect at every point of this process"*. From what I've seen, I think RSA could have managed Miss T's expectations better. As Miss T says, this is her first (and hopefully only) experience of smoke damage. And, from what she says, I think Miss T has felt she's had to find her own way some of the time.

So, for example, Miss T is unhappy things like textiles and bedding weren't cleaned before they were packed up. She says that, many months down the line, she was faced with dealing with a number of bin bags full of uncleared items. But I can see from RSA's internal notes that the cleaning company says it wouldn't expect clothing, bedroom curtains, etc, to be cleaned until they came back from storage. Miss T also says she didn't get a full inventory of her boxed items – but the cleaning company says it wouldn't list cleaned or restored items, only those that were beyond economic repair. Miss T says there was a delay of some months before items in her wardrobe were packed up and stored – but the cleaning company says it wasn't instructed to deal with the wardrobe contents. I think these examples show there was a mismatch between what Miss T expected and what the cleaning company actually did. And I think if RSA and its agents been clearer with Miss T about what to expect, some of the frustration and upset she experienced could've been avoided. So I think it's fair and reasonable RSA should compensate Miss T for the distress and inconvenience she was caused.

I know Miss T will be disappointed with compensation of £250. Like the investigator who looked at Miss T's complaint, I can't begin to imagine the trauma Miss T has been through because of the fire and the damage it caused to her home and the disruption it has caused to her life. But, in this complaint, the crucial point is that I can only compensate Miss T for RSA's failings – not for the impact on her of the fire itself or the delays of the other insurers involved. And I've also borne in mind that so much of Miss T's contents were lost or damaged. This makes her claim large and complex. And RSA is entitled to assess each lost or damaged item, as well as quotes for replacements, etc, to validate it before paying out. Inevitably, this is going to be a lengthy and time-consuming process. And, like our investigator, I've been encouraged to see from Miss T's case file that at the time she brought her complaint to us, apart from some textiles Miss T used for business purposes, RSA had made payments for all the contents Miss T had claimed for.

In conclusion, I think there've been some failings by RSA (including its agents) in aspects of its handling of Miss T's claim, as I've set out above. And, for the reasons I've given, I think an award of £250 in compensation for the distress and inconvenience this has caused Miss T is fair and reasonable.

For the avoidance of doubt, although I haven't referred to all the individual issues Miss T has raised as part of her overall complaint, I have looked at all of them carefully and taken them into account in reaching my conclusions as I've set out above.

My final decision

For the reasons I've given, I uphold Miss T's complaint and direct Royal & Sun Alliance Insurance Limited to pay Miss T £250 in compensation for the distress and inconvenience its handling of her claim on her contents insurance policy has caused her.

Royal & Sun Alliance Insurance Limited should pay the compensation within 28 days of the date we tell it Miss T has accepted my final decision. If it doesn't, Royal & Sun Alliance Insurance Limited must pay interest on it at the rate of 8% simple per year from the date of my final decision to the date of payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 3 November 2022.

Jane Gallacher
Ombudsman