

The complaint

Mr and Mrs B complain about the way Royal & Sun Alliance Insurance Limited trading as More Th>n (“RSA”) has handled a subsidence claim made under their building insurance policy.

What happened

Mr and Mrs B made a claim for subsidence damage to their property when they noticed cracks in their kitchen wall.

RSA dealt with the claim and arranged for rectification works to take place. However, when repairs were completed and Mr and Mrs B were due to move back into their property, they noted numerous issues with the quality of the works and also noted that the property wasn’t yet habitable.

They complained to RSA about the incomplete works and the cleanliness of the property, and also said they didn’t want their belongings being returned as these could be damaged by the ongoing work that was required.

RSA responded to the complaint and agreed that further work was required, such as completing the repairs to the shower despite there being some confusion over who was responsible for this.

RSA also offered to pay for alternative accommodation and storage fees for a set period of time. It also said its contractors would arrange for the property to be cleaned. And it agreed that Mr and Mrs B had received a poor level of service, so it offered them £500 compensation for the distress and inconvenience this had caused.

Mr and Mrs B didn’t agree with RSA’s response to their complaint, so they referred the complaint to this service, saying the property still hadn’t been rectified as there were still signs of subsidence, and several issues remained unresolved. Our investigator considered all the information and thought the complaint should be upheld and that RSA should pay further storage charges, until the property was made habitable. But she didn’t agree that there were still signs of subsidence that RSA had to put right.

Because Mr and Mrs B didn’t agree with our investigator’s assessment, the complaint has now 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’m upholding this complaint in part. I’ll explain why.

I’ve considered the only expert evidence I have, which is the report dated May 2019 following the initial claim for subsidence. This report refers to the large crack in the kitchen wall and the cause of the subsidence is said to have been clay shrinkage induced by nearby

vegetation. The recommendations include tree management works followed by a period of stabilisation before repairs to the property could commence.

The report does not of course prove that work was carried out to an acceptable standard, so I've also considered other evidence such as the emails from Mr and Mrs B and the photographs they've sent us, showing the dust that had accumulated in the property by the time they moved back in. I can see that the property was not in a clean condition due to the dust, so I think it's fair that RSA offered to have its contractors complete a further clean.

Mr and Mrs B say they've sent us over 300 photographs and I've tried to access these but was unable to see all of them. In any event, I don't think I'd need to see such a large number of photographs in order to be satisfied that RSA acted unfairly by not taking greater care with Mr and Mrs B's property and belongings. This is because I've considered the large number of photographs we already have on file, and I can see that there were numerous issues with the quality of the rectification works. These issues include the hob and other appliances not being fitted, to poor quality grouting and untidy repairs.

So I agree with our investigator's recommendation that RSA pay Mr and Mrs B £500 compensation for the difficulties and upset that its handling of the claim caused. And I agree that RSA's offer to pay an additional cash settlement towards any further rectification work, subject to receipt of a VAT invoice, is fair and reasonable. I also think it's fair for Mr and Mrs B to provide any further evidence of additional alternative accommodation costs to RSA so that it can consider paying these.

Mr and Mrs B say the compensation recommended by our investigator and offered by RSA wouldn't cover their losses and is nowhere near what is needed to put their property back in order. But I don't have enough evidence to satisfy me that the amount offered for rectification work isn't enough to make right the current problems with the property. And the other outgoings Mr and Mrs B have mentioned are expenses they've incurred and not compensation. Compensation is for the distress and inconvenience Mr and Mrs B have experienced and is not designed to cover other losses. And I'm satisfied based on what Mr and Mrs B have said, that £500 compensation is fair and reasonable in the circumstances of this complaint based on the level of impact the poor service has had on Mr and Mrs B and the length of time these issues have been ongoing.

I also consider it unfair for RSA to refuse to pay the additional storage charges. From the photographs provided I can appreciate why Mr and Mrs B were reluctant to have their belongings returned to the property, as it was in a state of disrepair and it was unclean. So I'm going to require RSA to pay the additional storage charges up until the property was made habitable.

I'm sorry to hear that this whole experience has taken a toll on Mr and Mrs B's health and wellbeing, and I don't doubt that they've experienced a significant amount of stress over the years due to this claim. But I have to separate the problems caused by RSA, from the difficulties that naturally arise when a property experiences subsidence, which in itself is a stressful event that can often take considerable time to deal with.

Based on everything I've seen, I can't say the property is still suffering from subsidence as there are a number of factors which can contribute to cracks reappearing over time, and this doesn't mean the work carried out was all inadequate. If Mr and Mrs B believe the cause of the subsidence hasn't been properly rectified, they'd need to provide evidence of this, such as an independent report from an expert (rather than just a quotation for repairs) and that report would need to be put to RSA for its consideration. It would then be for RSA to visit the property on the basis of such evidence, to determine the extent of any movement and the need for any further rectification works.

I'm sorry to disappoint Mr and Mrs B, but at the moment, I'm afraid I don't have sufficient evidence to require RSA to take any further action, aside from paying for the additional storage charges until the date the property became habitable. But as I've mentioned, if Mr and Mrs B have persuasive evidence that their property is still moving, they should provide this to RSA in the first instance so that this can be considered. They can then come back to this service if they're unhappy with the way RSA responds.

Putting things right

Royal & Sun Alliance Insurance Limited trading as More Th>n must now:

- Pay Mr and Mrs B 2,380 for alternative accommodation, £125 towards cleaning costs, and £315.91 and £63.18 towards remedial work, if it has not already done so.
- Pay Mr and Mrs B for the additional storage charges they incurred up until the property was made habitable on 17 December 2021.
- RSA must add 8% simple interest per annum on to any of the above costs incurred by Mr and Mrs B from the date Mr and Mrs B made payment to the date of settlement.
- Pay Mr and Mrs B £500 compensation for distress and inconvenience if it has not already done so.

My final decision

My final decision is that I uphold this complaint and I direct Royal & Sun Alliance Insurance Limited trading as More Th>n to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 23 March 2023.

Ifrah Malik
Ombudsman