

The complaint

Mrs S has complained that about the way Royal and Sun Alliance Insurance Limited (“RSA”) dealt with her when she tried to make a claim under her home insurance policy when she had an escape of water in her home.

What happened

Shortly before Christmas 2021, Mrs S found a leak in her property. Water started coming through her ceiling into her light fittings, causing damage to the ceiling and to carpets below. Mrs S called RSA to arrange for the problem to be fixed under the terms of her home insurance policy.

RSA sent an engineer to deal with the immediate problem under the home emergency assistance included with Mrs S’s policy. But the engineer told Mrs S they couldn’t trace the source of the leak under this.

The engineer called RSA to see if she had cover for tracing the leak. But RSA confirmed Mrs S didn’t have this on her policy.

The engineer offered to try and find the source of the leak. But he told Mrs S he’d need to make a hole in her ceiling to do this. Mrs S wasn’t happy with this so no further work to trace the leak was done.

RSA appointed a company to assess the damage the leak had caused. But they repeated that Mrs S had no cover for dealing with the leak itself and she’d need to arrange this work herself.

Mrs S was unhappy with what she’d been told and complained. She said no-one had told her when she bought the policy that she wouldn’t be covered for repairing a leak. In response, RSA explained again that she didn’t have cover to trace the source of the leak, although their agent could assess the damage it had caused.

But RSA did agree that one of the calls Mrs S had with a member of their staff hadn’t been handled as it should have been. They offered her £50 compensation for this.

Mrs S escalated her complaint. But she didn’t receive a final response from RSA before she brought her complaint to us.

Our investigator considered it and concluded RSA didn’t need to do any more to resolve Mrs S’s complaint. She noted the claim notes confirmed the source of the leak wasn’t visible. The engineer would have had to trace it – and Mrs S’s policy didn’t provide cover for this. So she was satisfied RSA had correctly applied the terms of the policy.

The investigator also noted RSA had offered Mrs S an appointment to assess the damage caused by the leak – which, again, was in line with the policy terms. And she said RSA’s offer to pay her £50 for not dealing with one of her calls appropriately was reasonable.

Mrs S didn’t agree with our investigator’s view. So I’ve been asked to make a decision.

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 that, I'm upholding Mrs S's complaint – but I'm not asking RSA to do more than they've already offered to resolve it. I'll explain why.

My role is to decide whether RSA have dealt with Mrs S's claim fairly, in line with the policy terms. So I've started by considering those terms.

Insurance policies don't cover every eventuality. Mrs S's policy provides two options for cover – referred to as "primary" and "upgraded". There's also an option to buy cover for accidental damage. The renewal documentation and schedule provided by RSA shows Mrs S bought primary cover for both her buildings and contents. She also took accidental damage cover for both and had £200 home emergency assistance.

The policy document states that primary buildings cover insures against a variety of risks, including escape of water. But, in the box headed "*Significant exclusions or limitations*", it says:

"We do not cover the cost of removing and replacing any part of the buildings necessary to trace leaking oil or water or repairing damage caused by such investigations. This cover is provided by the Upgraded Buildings Cover Option."

So I'm satisfied Mrs S didn't have cover to trace the source of the leak in her home. Mrs S has said she didn't know this. And that it should have been brought to her attention when she bought the policy. I've thought about this.

The renewal documentation Mrs S makes it clear it's up to her to check the policy documentation to make sure the policy meets her needs. It includes a copy of an Insurance Product Information Document (IPID), which summarises key information about the policy.

The IPID sets out what is - and isn't - covered. The summary under the heading "*What is not insured?*" includes almost identical wording to the wording in the policy quoted above.

I think the wording in these two sections makes it clear to the reader Mrs S didn't have cover to trace the source of a leak or repair any damage that tracing caused – although she was covered for damage an escape of water caused. So I think it was fair for RSA to advise her she wasn't covered for this and would need to arrange for that work herself.

Putting things right

While I don't think RSA did anything wrong by not covering the cost of tracing the leak, I do agree with them, and our investigator, that they should compensate Mrs S for their admitted failure to handle one of her calls appropriately. They've offered her £50 for this, which Mrs S told us she didn't accept because she wanted all of her concerns addressed together.

While I understand what Mrs S is saying, I can only direct RSA to pay her compensation if I'm satisfied they didn't treat her fairly – and that she was distressed and inconvenienced by this.

That's not what happened here. While Mrs S was understandably distressed by having a leak, that wasn't RSA's fault. They sent an engineer to her home under the home emergency assistance cover she did have.

The engineer checked whether she had trace and access cover before taking any steps to locate the leak. When he found out she had no cover, he offered to try and find the source by making a hole in the ceiling. But he made it clear Mrs S couldn't claim for the damage that would cause. I think that was reasonable.

And I'm satisfied from the notes I've that RSA advised Mrs S that, although she'd need to get the leak traced and fixed herself, they could consider a claim for the damage it caused. Mrs S told our initial call handler she didn't do that because she no longer wanted to deal with RSA because of what had happened – and felt she should be compensated for this.

Again, I don't think RSA did anything wrong here. They explained what cover she had and offered to assess her claim under that cover. Mrs S hasn't given them access to do that. And, while it's her choice whether to pursue a claim, it's not fair for me to say that RSA needs to do anything differently to put matters right.

So I don't think RSA need to compensate Mrs S for anything other than the inappropriately handled call they've identified. I think £50 is a reasonable amount of compensation for that and RSA should pay this to Mrs S. But I don't think they need to do anything else to resolve her complaint.

My final decision

For the reasons I've explained, I'm upholding Mrs S's complaint about Royal & Sun Alliance Insurance Limited and directing RSA to pay her the £50 compensation they've previously offered her.

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

Helen Stacey
Ombudsman