

## **The complaint**

Mrs W complains that Royal & Sun Alliance Insurance Limited ('RSA') unfairly declined a claim on her home insurance.

## **What happened**

Mrs W had an RSA home insurance policy. In February 2020, the external door between her patio and lounge/dining room was damaged during a storm. She was unable to get through to RSA's home emergency number so arranged her own emergency repairs. She didn't make a claim to RSA at this time.

Mrs W called RSA on 1 October 2021. (I know Mrs W disputes this date; I'll deal with this below.) She told RSA's call handler that she'd recently noticed that the floor in her dining room was starting to collapse. She thought this might have been caused by water coming through the storm-damaged door. She made a claim on her RSA policy.

RSA initially told Mrs W it would settle her claim. It appointed two of its agents to inspect the damage (a glazier and a flooring expert) and asked Mrs W to get quotes for repairs. It later appointed a loss adjustor to validate the claim. The glazier and flooring expert visited Mrs W's home in October 2021; the loss adjustor visited Mrs W on 16 December 2021.

RSA received the loss adjustor's report in late December 2021. The report concluded that the damage to the door was due to wear and tear, and the damage to the floor was a result of water gradually getting into the dining room over time.

In January 2022, RSA declined Mrs W's claim. It told her the damage to her door and floor was caused by gradual wear and tear. It said this meant the damage wasn't covered by her policy. However, it accepted that its flooring expert cut away a section of Mrs W's carpet during its inspection. It offered Mrs W £833.05, less the policy excess, as cash settlement for a replacement carpet. RSA also accepted that it didn't follow its correct process when dealing with her claim and had raised Mrs W's expectations that the claim would be settled in full. It offered her £250 to apologise for these failings.

Mrs W was unhappy with RSA's decision and brought her complaint to this service. She wants RSA to settle her claim in full and pay her compensation for the distress and inconvenience it has caused.

Our investigator recommended that Mrs W's complaint should be upheld. He was satisfied that:

- The original damage to the door was caused by the storm. This was covered by Mrs W's policy.
- Water was coming into Mrs W's home due to this damage to the door.
- Mrs W wouldn't have been aware of this or that it was causing significant damage to her floor.

For these reasons, he thought RSA should settle Mrs W's claim in full. He also thought

RSA's £250 offer to apologise for its poor service was too low. He recommended it pay Mrs W another £150, taking the total award to £400.

RSA disagreed with our investigator, so the case was passed to me to consider.

### **My provisional decision**

I issued a provisional decision on this complaint on 14 September 2022. I said:

*"There are several important questions that I've had to work through to reach my decision on Mrs W's complaint:*

- *When did Mrs W first contact RSA?*
- *When was the door damaged?*
- *What was the main cause of the damage to the door?*
- *What was the cause of the damage to the floor?*
- *The damage to the carpet by RSA's agent*
- *How did RSA handle Mrs W's claim?*

*I've considered each of these below.*

#### *When did Mrs W first contact RSA?*

*The parties dispute the date Mrs W first contacted RSA about her claim so I think it would be helpful to clear this up.*

*I've reviewed RSA's internal notes and listened to the phone calls between Mrs W and RSA on 1 October and 23 November 2021. I know Mrs W says she first called RSA on 13 August 2021, however RSA has no record of a call from Mrs W on this date and Mrs W is unable to provide evidence of it (for example, an itemised landline bill or mobile phone call history).*

*More importantly, during the 1 October 2021 call the RSA call handler asked Mrs W if this was a new claim. Mrs W replied: "It is, yes". The content of that conversation makes it clear to me that this was the first time Mrs W had contacted RSA about the damage to her door and dining room floor.*

*During the call, Mrs W and the call handler discuss when Mrs W first noticed the damage. After some discussion, and Mrs W's estimate that she first noticed the damage "four/five weeks ago", they agree an approximate date of 13 August 2021. So I understand why Mrs W believes 13 August 2021 was the date she first contacted RSA.*

*Finally, Mrs W gave a detailed description of what was discussed during her second call with RSA, which she believes was on 1 October 2021. But the details she remembers about this call – call handler's name, unavailability of her case manager, discussion about furniture storage, etc – make it clear that this was the call on 23 November 2021.*

*The evidence on this point is conclusive. Mrs W first notified RSA about the damage in the phone call on 1 October 2021. 13 August 2021 was the date Mrs W and the RSA call handler agreed was a rough estimate of when Mrs W first noticed the damage.*

*While this date is important for context, it doesn't affect my decision.*

#### *When was the door damaged?*

*There's some dispute about this. Again, I think it's helpful to clear this up.*

*During the 1 October call, Mrs W told RSA the door was damaged “in the storms we had last year”. The loss adjustor’s report says Mrs W told them the damage happened in “late winter 2019”.*

*However, the most compelling evidence is the builder’s invoice for the emergency repairs, which Mrs W has been able to send us. This is dated 28 February 2020.*

*I’ve checked the Met Office information for the 2019/20 storm season. This shows storm Jorge hit the UK on 28 February 2020. That matches the builder’s invoice and is consistent with Mrs W’s account during the 1 October 2021 call, so I’m satisfied this was when the door was damaged.*

*What was the main cause of damage to the door?*

*Like most policies, Mrs W’s cover only makes RSA liable for damage caused by certain insured events, listed in her policy. Mrs W has said that the damage to her door was caused by a storm.*

*Page 22 of Mrs W’s policy booklet shows she’s covered for damage caused by a storm. The policy booklet doesn’t explicitly define a storm in terms of wind speed or rainfall. Instead it says: “A storm will involve very strong winds powerful enough to cause structural damage to homes within its path. It’s usually accompanied by torrential rainfall, hail or heavy snow.”*

*When we look at complaints about storm damage, there are three questions we ask:*

- 1. Were there storm conditions on or around the date of the claim?*
- 2. Is the damage consistent with storm damage?*
- 3. Were the storm conditions the main cause of the damage?*

*If the answer to any of these questions is “no” the claim won’t succeed.*

*The local weather records for the area where Mrs W lives show high wind speeds and rainfall on 28 February 2020. And, as I’ve said above, storm Jorge hit the UK the night Mrs W’s door was damaged. So I’m satisfied there were storm conditions the night the door was damaged.*

*Second, I think it’s reasonable to think a storm might cause some damage to a door or window. RSA’s internal email dated 2 February 2022 seems to accept this: “[The loss adjustor] advised a storm could have contributed”.*

*So the last question is key: were the storm conditions the main cause of the damage? Mrs W said the mechanism at the top of the door was broken by the storm. However, I think it’s unlikely that a properly secured UPVC door in good condition would be blown in by a storm in the way Mrs W described. Mrs W told RSA the door was installed “20 years or so ago”. On balance, I think it’s more likely there was some pre-existing damage – most likely due to wear and tear over 20 years – and the storm simply exposed this.*

*I also think it’s important that RSA had no opportunity to inspect the damage until October 2021, 19 months after the storm. (Even if I accepted Mrs W’s date of 13 August 2021, this would still be over 16 months after the storm.) I think it would be difficult for RSA to assess the precise cause of damage so long after the event. Generally, it’s for the policyholder to show that damage was caused by an insured event. I don’t think Mrs W has done so in this case.*

*On balance, I’m not persuaded that the storm was the main cause of the damage to the door. That means I think it was reasonable for RSA to decline this part of Mrs W’s claim.*

### What was the cause of damage to the floor?

Even if I thought the storm was the main cause of the damage to the door, it wouldn't affect my decision on Mrs W's claim for her floor. I'll explain why.

The loss adjustor's report concluded: "...the cause of the damage to the flooring is due to gradual water ingress over a long period of time and not a one-off incident." He accepted that Mrs W "may not have been aware of this until the flooring started to drop."

This seems to me to be a reasonable conclusion. Mrs W's builder made emergency repairs to the door but didn't replace it. Mrs W didn't get this permanently fixed or replaced, or report this to RSA. So an external door remained damaged for over 18 months. The damaged door appears to have allowed water to get into the dining room – the loss adjustor noted that the flooring directly under the door was rotten – damage the joists, and ultimately cause the floor to collapse.

Page 18 of Mrs W's policy booklet requires the policyholder to keep a home in good condition: "If you don't keep your home and belongings in good condition, you may find that damage has been caused by wear and tear or lack of maintenance, or that loss or damage has happened gradually over time. These aren't things your insurance covers." Page 26 of the policy booklet says "Accidental damage caused by the gradual seepage of water into your home" isn't covered.

The internal RSA email dated 2 February 2022 says: "The damage [to the floor] is also not proximately caused by storm but a lack of maintenance." I think this is right. The February 2020 storm didn't cause the damage to the floor; the gradual ingress of water over several months did. Unfortunately, this isn't covered by her policy.

I note that, during the phone call on 1 October 2021, Mrs W said she noticed the blinds moving in the wind when the door was closed as well as the broken door mechanism. The glazier's report and photos also show visible damage to the door. So while I'm sure Mrs W didn't realise the extent of the water coming into her home, or what damage this was causing, I think she might reasonably have been aware that the door wasn't weatherproof. Given the length of time between the storm and her claim to RSA, I don't think Mrs W took sufficient steps to keep her home in good condition, as required by her policy.

I know Mrs W said the coronavirus pandemic and national lockdown meant that nothing could have been done when the door was damaged. However, the first UK lockdown wasn't until 23 March 2020, more than three weeks after the storm. And even a national lockdown wouldn't have stopped her from reporting the damage to RSA or making a claim. It would then have been RSA's responsibility to arrange for the door to be replaced and prevent any consequential damage.

For the reasons above, I don't think RSA acted unreasonably when it declined Mrs W's claim for damage to the floor and subfloor.

### The damage to the carpet by RSA's agent

RSA accepts that its flooring expert removed a section of Mrs W's carpet during its inspection. It agreed to offer a cash settlement for this, less the policy excess: "Regrettably, I'm only able to offer a cash settlement for the replacement carpet and fitting only. The cost of this will be £833.05 which is subject to the £150 excess...."

Mrs W says the cash offer is "completely unacceptable". She notes that RSA's offer doesn't include the underlay and grippers. She also notes the offer is far less than she originally paid

for the carpet.

*I agree that RSA should compensate Mrs W for her damaged carpet. Mrs W told RSA she wanted to clean and keep the carpet, and I see no reason why this might not have been possible. RSA's expert's actions meant this was no longer an option.*

*In the circumstances, I think RSA's decision to offer a cash settlement for the replacement carpet is fair. However, I don't understand why its cash offer is only £833.05 when its expert's quote for the replacement and fitting was £2,081.70, plus VAT. This quote would appear to be more realistic. For the avoidance of doubt, I think it's fair for RSA to apply the policy excess.*

*I'd like both parties to comment on this before I make my final decision. However, at the minute I'm minded to ask RSA to offer Mrs W a cash settlement in line with its expert's quote dated 13 January 2022.*

#### *How did RSA handle Mrs W's claim?*

*While I think RSA's decision to decline the claim was fair, I think its handling of it was poor, for the following reasons:*

- *Mrs W reported the claim on 1 October 2021. It was declined on 4 January 2022. I don't think this claim should have taken three months to resolve. At least part of this was because RSA didn't appoint a loss adjustor until December 2021, more than two months after Mrs W made her claim.*
- *RSA initially told Mrs W she was covered and indicated that it had accepted the claim. It asked her to get quotes for repairs and instructed a removal agent to arrange for furniture storage while the floor was being repaired. Its flooring expert cut out part of her carpet. All this raised Mrs W's expectations that her claim would be settled in full and caused her additional distress when the claim was declined.*
- *Mrs W had to chase RSA multiple times for an update. RSA's records suggest that several times she was promised a call back but this didn't happen (for example, 15 November, 3 December, 17 December, and 31 December 2021). Overall, I don't think RSA's communication with Mrs W was good enough.*
- *The flooring expert asked Mrs W to pay her excess directly to them, before the claim was validated. I don't understand why this should have happened.*

*It's clear that RSA's actions caused Mrs W a significant amount of distress. RSA accepted that it didn't follow its claims handling process correctly and offered Mrs W £250 to apologise for this. However, I don't think this adequately reflects the amount of distress and inconvenience it caused Mrs W.*

*I've considered this service's awards in similar circumstances. Having done so, I think a more appropriate award is £500.*

*All this means that, overall, I think RSA's final response to Mrs W's claim was reasonable. I think RSA acted fairly by declining the main elements of the claim – the damage to the door and water damage to the floor – but agreeing to compensate Mrs W for damaging her carpet and its poor service.*

*Having said that, I don't think the compensation RSA has offered Mrs W for these failings is fair. I think it should increase both offers, as above.*

*I recognise that Mrs W feels very strongly about this and she'll be disappointed with my*

*decision. But based on everything I've seen, I won't be asking RSA to do anything more than increase its compensation for the replacement carpet and its failings handling her claim."*

## **Responses to my provisional decision**

Mrs W was "*disgusted*" with my decision and made several points about why she believes it was unfair. I've looked at everything she's said but I don't think I need to comment on each point to reach the right outcome. I've focused instead on the key points.

In summary, Mrs W says:

- I wrongly think the damage was to an internal door.
- I've "*completely underestimated*" the damage RSA's agent caused to her carpet and subfloor.
- She doesn't think she should have to pay her excess for damage caused by RSA's agent.
- RSA hasn't shown that the damage to the door was due to wear and tear. Indeed, she says no-one's mentioned wear and tear before now.
- The emergency glazier who fixed the door confirmed the damage was caused by the storm. Mrs W didn't think it was badly damaged and didn't think water was coming through it.
- RSA's glazier told Mrs W that he'd "*seen this sort of storm damage before and condemned the door*" but he didn't say this to RSA.
- She didn't report the damage because she was working incredibly long hours in the run up to the UK lockdown. When lockdown came into force, her income stopped immediately.

RSA only commented on its offer to replace Mrs W's carpet. It said:

- Its flooring expert's quote, dated 13 January 2022, contained errors – each cost was mistakenly duplicated.
- It didn't agree to pay the costs for grippers, heat seam, or underlay as these weren't damaged by its expert. Its new offer includes these.
- It will offer Mrs W a cash settlement for her carpet of £1,040.88 (including VAT), less her £150 excess. That means a settlement of £890.88.

## **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.

I understand that Mrs W is extremely disappointed, however I think she's misread parts of my provisional decision. To clarify:

- I know the door in question was an external door and not a door between two rooms. As I said in my provisional decision, this was "*the external door between her patio and lounge/dining room*". That's how rainwater was able to get into the house.
- My reference to the policy term about keeping her home in good condition wasn't meant to offend Mrs W and I'm sorry for this. Nor was it meant to suggest she should have replaced the door before the storm.
- Instead, I'm saying Mrs W might reasonably have been aware the door wasn't fully weatherproof after the storm but she didn't report this RSA. As I said in my provisional decision, "*during the phone call on 1 October 2021, Mrs W said she noticed the blinds moving in the wind when the door was closed as well as the*

*broken door mechanism.*” She also knew her builder had only made a temporary repair.

In answer to Mrs W’s other points:

- I think it’s worth reiterating that I’ve listened to all her calls with RSA. For the reasons set out in my provisional decision, I have no doubt the 1 October 2021 call was the first time she called RSA about the damaged door.
- I don’t agree with her explanation that she said this was a new claim during that call because RSA hadn’t taken any action. I think most people in that situation would have told the call handler they’d already made a claim and/or expressed their unhappiness that nothing had been done.
- Mrs W didn’t quote a claim reference number during the 1 October call. RSA’s call handler gave her the claim reference during this call.
- It’s not for RSA to conclusively prove the damage to the door was wear and tear. Its loss adjuster was unable to say whether this was storm damage or not. As I said in my provisional decision, *“Generally, it’s for the policyholder to show that damage was caused by an insured event”*. This is especially true when the damage happened more than 18 months before it was reported to the insurer. I don’t think Mrs W has shown that the storm was the main cause of damage.
- The evidence shows the floor was damaged by water getting through the damaged door in the 18 months between the storm and Mrs W contacting RSA. In my opinion, this is a result of Mrs W not reporting the damage to the door in February 2020.
- Mrs W’s policy excludes *“Accidental damage caused by the gradual seepage of water into your home”*. This means I think it was fair for RSA to decline her claim for the damage to the floor and subfloor.
- The subfloor was already badly damaged and needed to be replaced by the time RSA’s flooring expert visited. While I agree they caused additional damage to the carpet, I don’t agree that they made the damage to the subfloor any worse.

Mrs W didn’t offer any new comment or evidence about the cost of replacing her carpet. I’ve considered RSA’s explanation for the difference between its flooring expert’s quote and its original settlement offer. Having done so, I agree that costs on that quote were duplicated.

However, it’s clear from the evidence – and I mentioned this in my provisional decision – that Mrs W paid her policy excess directly to RSA’s flooring expert in October 2021. I’ve not seen any evidence that this was ever refunded to her. As such, it would be unfair for RSA to apply the excess to its cash settlement for the carpet. It should pay Mrs W £1,040.88.

Neither party commented on my proposed award for the distress RSA caused Mrs W in its handling of her claim. For the reasons set out in my provisional decision, I think RSA should pay Mrs W £500 for this.

I see no reason to change any other findings in my provisional decision.

### **My final decision**

My final decision is that I uphold the complaint in part for the reasons set out in my provisional decision. I require Royal & Sun Alliance Insurance Limited to:

- Pay Mrs W £1,040.88 to replace her carpet; and
- Pay Mrs W £500 to reflect the distress and inconvenience its poor service and claims handling has caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 3 November 2022.

Simon Begley  
**Ombudsman**