

The complaint

Miss H complains that Royal & Sun Alliance Insurance Limited (“RSA”) has unfairly handled a subsidence claim made under her buildings insurance.

Any reference to Miss H or RSA includes respective agents or representatives.

What happened

The background of this complaint is well known to all parties, so I’ve summarised events.

- Miss H holds her buildings insurance with RSA.
- In January 2019 she made a claim for subsidence. RSA appointed specialists and investigations were undertaken. Following this, repairs to drains were carried out. And then repairs to the home.
- Miss H complained to RSA, saying it made many mistakes that caused avoidable delays and unnecessary upheaval moving between alternative accommodation – at one point moving properties four times within three months. She described the stress of this while maintaining a full-time job and looking after her children.
- RSA responded, saying the investigation and drain repairs proceeded in line with what it’d expect. But it said there were clear service shortfalls and poor communication on its part which caused avoidable delays and frustration to Miss H.
- RSA said the matter of alternative accommodation had been exceptionally difficult to arrange in the location of Miss H’s home that was outside of RSA and its supplier’s control. But it said Miss H had done her best to find an appropriate property and RSA had not acted upon it as it should’ve done. And it said its communication was poor between its agents, Miss H and appointed contractors completing repairs.
- RSA apologised for these errors and offered to pay £400 in compensation.
- Despite several requests, RSA has not provided a file to this Service to consider.
- The complaint was considered by our Investigator who upheld it and awarded £650 compensation, along with a direction for RSA to provide a breakdown of an up to date cash settlement and schedule of works. She directed it to consider any reasonable costs for the period Miss C was out of her home.
- RSA didn’t respond. Miss H provided a timeline of events and a further detailed account of the impact of the delays on her.
- Our Investigator looked again and increased the compensation further to £800 in light of the delays and impact described by Miss H – alongside directing it to either carry out repairs for remaining works or offer a cash settlement.
- RSA disagreed, saying it agreed it had shortfalls in service and would agree to increase its compensation to £650 but no further.
- Our Investigator looked again but didn’t change her mind, saying RSA had provided little to support its case, but it was apparent Miss H’s claim had suffered multiple

delays and moves between accommodation. In light of her circumstances and family, the Investigator said the impact was very distressing and she had made RSA aware of this within her own emails.

So, the complaint has been passed to me for an Ombudsman's final 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 so, I'm upholding this complaint. I'll explain why.

- In this case, there appear to be two main issues.
- The first, is the ongoing claim and a way forward. The matter seems far from resolved from what I've seen, and as a result I don't think it would be practical for me to make a specific direction about the types of works that RSA should carry out.
- RSA has seemingly agreed to address the remaining issues by either cash settling these in line with the policy terms, or by carrying out necessary repairing itself in line with our Investigator's view. And this is what I'd expect RSA to do. So, these are the steps I will direct it to take.
- In doing so, I'd expect it to keep in mind its obligations to take this action promptly and fairly, and for any repairs to be effective and lasting.
- The second issue to consider concerns the handling of the claim. A claim of this nature will cause a degree of unavoidable distress and inconvenience for a policyholder. But here I have to consider the impact of RSA's delays and mistakes, and how these affected Miss H at an already challenging time.
- RSA has agreed its handling after the repairs were completed wasn't in line with what it'd expect. So, I don't need to make a finding on this point as it has accepted these faults. However, I would also note here RSA has provided little evidence to support its assurances the start of the claim proceeded without fault or delay, having failed to provide a business file as we would expect. RSA has now agreed a sum of £650 compensation would be fair but not £800.
- So, I've thought about the impact of the mistakes and delays RSA has caused. RSA agrees Miss H was proactive in trying to arrange accommodation, and that its own poor communication and lack of proactivity exacerbated the situation. Miss H has described at length the impact of RSA's inaction leading to last-minute decisions and arrangements which caused additional stress.
- It's clear to me Miss H was having to cope with the cumulative stress of ongoing mistakes within the claim alongside the frustration of the matter being prolonged longer than would've reasonably been required. And in the circumstances, I'm satisfied a sum of £800 is a fair and reasonable compensatory payment to recognise the repeated mistakes and poor handling on RSA's part.

My final decision

For the above reasons, I'm upholding this complaint. I direct Royal & Sun Alliance Insurance Limited to do the following.

- Pay Miss H £800 in compensation for the distress and inconvenience caused.
- In line with the policy terms, RSA must promptly act to either carry out the remaining

repairs *or* cash settle to the value the works would reasonably cost Miss H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 27 December 2022.

Jack Baldry
Ombudsman