

The complaint

Mr S complained that his claim was unfairly declined by Royal & Sun Alliance Insurance Plc (“RSA”) under his home insurance policy and he thought it was unreasonable that RSA decided to subsequently cancel his policy.

What happened

Mr S made a claim to RSA for damage to two pieces of furniture. Mr S explained that the damage had occurred accidentally when a paint pot was knocked over whilst the room was being decorated.

Mr S provided photographs and a video of the damage, but RSA explained that it was normal as part of its claim validation process to arrange a physical inspection of the damage by one of its representatives. However, due to the Covid-19 pandemic, RSA said it would do this by a video call so not to delay the claim.

RSA said it was unable to fully validate the claim – it wanted to discuss the claim with Mr S to fully understand the circumstances. Therefore, it declined the claim, but said if it is given the opportunity to further validate the claim it would re-consider it.

Mr S explained that his vulnerable circumstances meant that he wasn’t keen on doing a video call, but he never said he wouldn’t do it. However, RSA felt that Mr S wasn’t co-operating with the validation of the claim, so it decided to cancel the policy.

Mr S believes he has done everything he can to co-operate with RSA and thinks its actions are unfair.

Our investigator decided to uphold the complaint. She thought it was fair that RSA should want to fully validate the claim and due to the pandemic she thought the approach to carry out a video interview was reasonable. However, she didn’t think RSA had fairly considered Mr S’ vulnerable circumstances when cancelling the policy, so thought the cancellation was too harsh for what had happened. RSA disagreed, so the case has been referred to an ombudsman.

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.

This complaint has been ongoing for a long time so there has been a lot of communication back and forth between the parties. In setting out my decision, I won’t commentate on every piece of evidence that I have reviewed. I will focus on the key points that has led me to my decision.

I have first considered RSA’s decision to decline the claim. I have read the policy and it explains how to make a claim. It states, *“you’ll need to give us any help and evidence we need about the cause of your claim and its value”*. Later the policy states the claim

conditions *“we’ll arrange for the damage to be inspected by one of our representatives or an independent loss adjuster or other expert”*. The policy states Mr S’ responsibilities *“you must give us any information and assistance we require”*.

The validation process was restricted due to the Covid-19 pandemic, so RSA wasn’t able to physically visit Mr S’ property to review the damage. It reviewed the photos and video that Mr S provided, which I think was a reasonable approach. However, I can see that RSA wasn’t comfortable to settle the claim based on this evidence – it also had some other concerns based on investigations carried out by one of its experts.

I think RSA had genuine cause to question the circumstances of the claim, so it wanted to do further validation on the claim. I think this is reasonable and is consistent with what it’s allowed to do under the terms and conditions of the policy. Due to the constraints of the pandemic, a video call was a sensible approach – I don’t see any other way the claim could’ve been progressed at this time.

As RSA couldn’t complete its validation of the claim, I don’t think it has been unfair in not settling the claim. There were fair reasons it wanted to carry out further validation and as this wasn’t possible, I don’t think RSA has done anything wrong here. So, I don’t uphold this aspect of the complaint.

I did observe that Mr S had concerns with how he was treated by one of RSA’s representatives. For me to consider a complaint like this, I would need to see clear evidence that RSA’s representative had behaved inappropriately. This is difficult to prove and unfortunately, I only have Mr S’ testimony to go on. Whilst, I’m not saying I don’t believe Mr S, it also wouldn’t be fair for me to conclude RSA had acted unfairly without strong evidence to show it has. Therefore, I know this will be frustrating for Mr S, but I won’t be able to consider this point without clear evidence.

I’ve then considered whether RSA has been fair in cancelling the policy based on them determining Mr S had not been co-operating on the claim. I have checked the policy to understand what it states about this. The policy states:

“we may cancel your policy for the reasons explained in the Changes in your circumstances condition on page 19 and the Fraud condition at the top of this page. We may also cancel your policy if we identify serious grounds for doing so, including but not limited to: failure to provide us with information we’ve requested that’s directly relevant to your cover or any claim”.

RSA decided to cancel the policy as it said *“we’ve confirmed that we required a recorded video interview to alleviate some concerns about your claim, however, you’ve failed to co-operate with our request. As such, we’ve taken the decision to invoke the 14-day cancellation clause on your policy”*.

Cancelling Mr S’ policy could have long lasting consequences on Mr S as the cancellation will be recorded against his policy history. It could impact his ability to get insurance in the future and it could impact the price he has to pay for future cover. Therefore, I’d expect RSA to make certain this was a fair course of action before implementing it.

I don’t think it has and for that reason, I uphold this aspect of the complaint. RSA said it can cancel the policy base on poor co-operation and this is no different to the reasoning for it declining the claim.

Whilst I can understand why RSA may have reached this conclusion, I don’t agree with it and I don’t think it’s fair in the circumstances. Whilst, I think it was fair for RSA not to settle

the claim for Mr S failing to attend a video call as it couldn't carry out the validation – I don't think it's fair to cancel the policy for this reason.

Mr S had vulnerable circumstances which meant he may find a video call difficult. I haven't seen any evidence that Mr S wouldn't do the call. I appreciate RSA said Mr S didn't attend on the specific meeting time that was set-up. However, Mr S has explained he's not great with technology. RSA said he had logged onto the technology before with the help of a relative – but this doesn't prove he wasn't having difficulties logging on at the later date.

I think Mr S has provided a lot of information to RSA for this claim including video footage and photographs, so I don't think it's fair to say he wasn't co-operating. I think given the circumstances RSA could've done more to try and re-arrange the interview and to check Mr S didn't need any support. As RSA cancelled the policy as it said Mr S didn't co-operate, I think it did this unreasonably, so I uphold this aspect of the complaint. I require RSA to undo the cancellation, so it doesn't appear on Mr S' history. It should also consider any claims that may arise related to the cancelled period.

My final decision

My final decision is that I uphold this complaint. I require Royal & Sun Alliance Insurance Plc to:

- Undo the cancellation of Mr S' policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 January 2023.

Pete Averill
Ombudsman