

The complaint

Mr B and Mr N complain about the way Royal & Sun Alliance Insurance Limited (RSA) handled a claim for subsidence they made under their home insurance policy. Mr B and Mr N are joint policy holders. But as most of the correspondence with RSA has been with Mr B, for ease, I'll refer solely to Mr B throughout.

What happened

In November 2019 Mr B made a claim under his home insurance policy for possible subsidence. RSA appointed subsidence experts (the agents) to manage the claim. The agents surveyed Mr B's property but decided the damage wasn't covered under his policy. They believed the damage was more likely to have been caused by alterations made to the property rather than subsidence. Mr B challenged that finding and a second survey was undertaken. That found there was movement but recommended six months of level monitoring to establish the cause. The monitoring showed movement and RSA believed the damage was subsidence related. So, it arranged for a site investigation that confirmed the subsidence was related to tree roots. An arborist report said that work would be needed on trees belonging to a third party at the back of Mr B's property. Progress was slow and work on the trees kept on getting pushed back.

Mr B made a complaint to RSA in April 2022. He raised a number of issues. His main concern was the delay in progressing his claim, from the initial time taken to decline his claim, the delay in taking action once it accepted his claim, and then the delay in progressing matters since then. He was also unhappy with the quality of the first surveyor's report and with the general handling of his claim, which he said meant he had to constantly chase RSA for an update, often without getting a reply. He said the whole matter had caused him distress and anxiety and it was affecting his mental health. He had no confidence in the agents representing RSA and he wanted new agents to be appointed.

RSA accepted there were about five months of excessive and avoidable delays in progressing Mr B's claim. And occasions when it either didn't call him back when it said it would or failed to update him on progress of the level monitoring. It apologised and offered to pay Mr B £500 for any inconvenience caused. It didn't think the agents had failed to respond to any queries Mr B had raised in a timely manner. And thought the agents had taken appropriate action to progress the work on the trees. But said it couldn't force Mr B's neighbour into completing those works.

Mr B wasn't happy with this response and so brought his complaint to this service. Our investigator agreed that RSA had caused delays and Mr B had needed to chase for updates more than he should have done. But he thought the £500 compensation RSA had given him was about right and he didn't think it needed to do anything more.

Mr B didn't agree with the investigator's view, so the complaint was passed to me to make a decision. I came to a different conclusion to our investigator, so I sent a provisional decision

to Mr B and RSA to give them an opportunity to comment. RSA said it would accept the outcome while Mr B didn't reply. So, my findings and my decision below are substantially the same as set out in my provisional 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.

I note that Mr B's claim has continued beyond RSA's final response to his complaint, and he's remained unhappy with how it's handled matters. To be clear, in this decision, I will only be looking at issues up until this final response and won't comment on what's happened after this date. Mr B should make a separate complaint if he's not happy with the more recent handling of his claim.

Mr B raised a number of points in his complaint. I won't set out every detail he's mentioned but I'd like to reassure him that I have read through all the information we have on file even though I'll only focus on the key points he's raised.

The initial survey was not to an acceptable standard

Mr B was concerned about the quality of the first survey. He said the second surveyor told him the first survey wasn't worth the paper it was written on. I don't think it would be fair on RSA to rely on something that was said to Mr B without some further evidence to corroborate it. But I can understand Mr B's concern that the first survey was flawed, particularly as the second survey reached a different conclusion. That said, I think RSA was entitled to rely on the expert's report even if events subsequently showed that Mr B's property was affected by subsidence. When Mr B challenged the first survey report, RSA explained the process and a second survey was undertaken. I think that was reasonable action to take in the circumstances and a fair way of getting matters back on track.

Customer service and keeping Mr B updated

Mr B says he often had to phone or email the agents several times before he got a response. RSA said the agents had a service level agreement to keep Mr B updated every 60 days. The information I've seen shows that, for the most part, it did that, although there were some notable gaps such as between March and July 2020, see below. I recognise that Mr B might have wanted more frequent updates, but I think it was reasonable for the agents to follow the service level agreement it had with RSA. When Mr B continued to complain that he wasn't being updated as often as he'd like, the agents increased the frequency of their updates. From November 2021 it agreed to update Mr B every two weeks. Again, for the most part, it did that. Although, as noted below, it failed to update Mr B at a crucial time between February and April 2022.

Delays up to the arborist report

Unfortunately for policyholders, this sort of claim can take a long time to resolve because of the need to find the cause of the subsidence and then resolve that issue before action can be taken to repair any damage. When a period of monitoring is necessary or there's a need to involve third parties, as in this case, it's always likely to take a good deal of time before the claim is resolved. Notwithstanding this, I'd expect insurers to progress subsidence claims efficiently and, in this case, I can understand why Mr B is upset that the process of investigating and repairing his property has taken so much longer than it needed to.

Things seem to have progressed quite quickly at the start of Mr B's claim. I know he wasn't

happy with the first survey report, which led to his claim being declined. But that first survey was conducted within a month of Mr B making the claim. RSA accept there was then a slight delay in contacting Mr B to arrange a second survey and it didn't call him back when it said it would. But the second survey was undertaken quite soon after Mr B challenged the decision to decline his claim. Unfortunately, things then started to go wrong. There was an avoidable delay of several months before any further action was taken. It would seem that an administrative mistake was made and nothing happened on the claim between February/March and July/August 2020. RSA has accepted that this was an excessive and avoidable delay. It apologised and took it into account when offering £500 compensation.

Following the second survey, the agents agreed that the damage to Mr B's property looked to be caused by subsidence. They then needed to work out what was causing it. So, they began six months of level monitoring to assess the scale of what was happening. This should have started several months earlier than August 2020, which is when it did start. In March 2021, after a little over six months of level monitoring, the agents said the results confirmed ground movement consistent with tree root induced clay shrinkage. It said RSA had accepted Mr B's claim and it would meet the cost of investigating and repairing the damage to his property. The agents said the next step would be to gather evidence to confirm what was causing the subsidence. Over the next three months, the agents carried out investigative work, which included digging a trial pit and a bore hole and checking the drainage system using CCTV.

In June 2021 the agents confirmed that the subsidence was due to root induced clay shrinkage. It said the cause of that movement needed to be dealt with first and they'd commissioned an arborist to find out the extent of the work on the trees. The arborist reported in July 2021 that work was needed to remove trees at the bottom of Mr B's garden, on land owned by his neighbour.

The agents haven't identified any major delays in progressing work after it instigated the level monitoring in August 2020, and I would agree that things progressed reasonably until it was necessary to involve a third party. As I've said, this sort of claim can take time and while I can understand Mr B's frustration, I don't think the time it took to investigate, monitor and assess the situation was unreasonable over this period. RSA has said that it didn't always update Mr B on the level monitoring when it should have done. It apologised for that service failure and took it into account when it offering £500 compensation.

Removal of several trees

Following receipt of the arborist's report in July 2021, the agents wrote to Mr B's neighbour in early August 2021 notifying them of the need to remove several trees at the back of the property. At the time Mr B made his complaint to RSA in April 2022, no work had been done on the trees and he'd recently been told that no work would be done until the Autumn or Winter of 2022. So why the delay?

As I've said, where a third party is involved in a claim, it will often take longer to settle, as the claim moving forward is dependent on the actions of that third party, which are outside of the businesses control. But I'd expect to see that the business did all it could to ensure the claim was being moved along as promptly as possible. So, I've looked carefully at what RSA did over this period.

The agents sent a copy of the arborist's report to the third party in early August 2021. In early September 2021 the third party told the agents they'd attended the site with a tree surgeon but it was difficult to identify which trees needed work as the photocopy of the arborist's report was in black and white. They suggested a joint site visit so they could give clear instructions to the tree surgeon. No action was then taken by the agents until early

November 2021, nearly two months later, despite Mr B asking for an update on several occasions. The third party confirmed in mid-November that the agents had provided a coloured report. They then met with the tree surgeon in early December 2021 and accepted their quote to complete the works.

Just before Christmas 2021 the third party told the agents they would need to contact the local authority for permission to close a footpath and enquire about a tree preservation order. In January 2022 they said they were finalising an agreement with other relevant parties. The agents asked the third party for an update in February 2022. But nothing then happened until early April 2022, nearly two months later, despite Mr B chasing the agents for an update on two occasions to no avail. The agents then contacted the third party and it was at this point that they said work couldn't take place until October or November 2022. The reason given was that the trees in question are covered in fine hairs during the growing season and, if disturbed, they can affect the respiratory system of anyone working on them.

RSA says the agents liaised with the neighbour every step of the way and chased where required to secure the tree works. But I don't entirely agree. I haven't seen any evidence to show why the agents couldn't have responded to the third party's enquiry in September 2021. And the agents failed to follow up the enquiry they made in February 2022 when they didn't receive a response, not chasing them again until April 2022. Had it given the third party the information it needed in September rather than November 2021, I think it's more likely than not that the tree surgeon would have been able to provide a quote two months earlier than they did. I recognise that the third party would still have needed to liaise with the local authority for permission to close a footpath and discuss any tree preservation orders. But that could have started much sooner, particularly if the agents had been more proactive in chasing the third party for progress.

Would the work on the trees have been concluded by the spring of 2022 had the agents been more proactive in liaising with the third party? That's difficult to say. As RSA has said, it couldn't force the neighbour to complete the tree works. And I understand the need to maintain good relations with their client's neighbour. But the delays caused by the agents' lack of activity were significant and should be seen in the context of the window of opportunity the third party had to complete the work on the trees. The agents knew work could only be done in the autumn or winter and Mr B emphasised that when he spoke to them. So, on balance, I think it's more likely than not that the work would have been completed within that window had the agents liaised more proactively with the third party. So, what does that mean for Mr B? Because of the poor service provided by RSA's agents, he'll have to wait longer than would otherwise have been the case to have his property repaired. RSA has accepted responsibility for some of those delays already. But I think it needs to do more to put things right.

Putting things right

Overall, RSA hasn't handled Mr B's claim well and must take responsibility for the delays it could have avoided, and for the poor service it's provided. RSA has accepted some of that poor service and has apologised and paid a total of £500 in compensation for the inconvenience it's caused. But in light of my findings, I think it needs to do more.

Mr B has made it very clear that he didn't complain in order to receive compensation. The outcome he wants is for his claim to be progressed as quickly and efficiently as possible and, preferably, for a new agent to be appointed. That is understandable but it's for an insurer to decide how to manage its claims and I can't tell it to change the agent it's appointed. But I hope things will run more smoothly from now on.

When things go wrong, I think it's right that businesses should look to compensate the

consumer for any distress and inconvenience caused by its poor service. In this case, there were avoidable delays that meant subsidence work wasn't taken at Mr B's property when it should have been. And at times the communication with Mr B wasn't as good as it should have been either.

Mr B has described the distress and anxiety he's suffered as a result of RSA's poor service. The agents told him that the ideal time to remove the trees was during autumn or winter. He was therefore very keen to get the work done, if possible, over the autumn/winter of 2021/22 and he emphasised that when he spoke to the agents. So, I can understand the frustration he felt when he was told that wasn't going to happen despite his attempts to keep things moving. I can also understand how stressful it must be not to know how long the disruption will last, particularly when there was a lost opportunity to complete the tree works in the winter of 2021/22. I think it's right that RSA should pay compensation for the impact on Mr B (and Mr N). And in light of the particular circumstances of this case, I think it would be fair and reasonable for RSA to pay Mr B a further £500 compensation for the impact of its poor service, in addition to the £500 it's already offered.

My final decision

For the reasons given above, my final decision is that Royal and Sun Alliance Insurance Limited should pay Mr B and Mr N a total of £1,000. It should pay the £500 it's already offered if it hasn't done so already. And another £500 for the further poor service I've identified in this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mr N to accept or reject my decision before 29 December 2022.

Richard Walker
Ombudsman