

The complaint

Mr D has complained about how Royal & Sun Alliance Insurance Limited (RSA) settled a claim under a home insurance policy.

What happened

Mr D contacted RSA when a glass pane in his conservatory roof cracked. RSA accepted the claim and agreed to cover the damage to that pane. However, it said it couldn't do the work because the roof needed further work due to issues unrelated to the claim. Once the excess was deducted, RSA offered Mr D a settlement of £57.29.

When Mr D complained to RSA, it maintained its settlement offer. So, Mr D complained to this service. Our investigator upheld the complaint. He said RSA should pay for all of the glass panes to be replaced, as paying for only one panel didn't put Mr D back in the position he was in before the claim. He also said RSA should pay £100 compensation.

As RSA didn't agree, the complaint was referred to me.

I issued my provisional decision on 14 December 2022. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

A glass pane on Mr D's roof was damaged when it was hit by a stone. RSA accepted the claim for this panel and agreed to replace it. Due to concerns about the structure of the conservatory and this roof, RSA decided it couldn't do the work itself. It calculated a settlement figure, which was £257.29. The £200 excess needed to be deducted from this amount, so it offered Mr D £57.29 to settle the claim. Mr D thought RSA was unfair in its offer and that it should cover more of the costs for the roof.

I've looked at what RSA found when it inspected the roof. This included it taking photos of the conservatory, which showed cracks across the other panes of glass. Its report said:

"Due to the condition of the structure replacing the unit will not be possible, the other three units have cracked due to movement of the structure. The brickwork is pulling away from the house, flashband used to seal the edges of both the tiled and glazed sections is peeling away, flashband has also been used along all of the glazing bars suggesting the movement has caused leaks."

I also note that when Mr D complained to this service, he said there were already cracks to the other panes of glass and that he had previously tried to carry out minor repairs on them himself. So, from what I've currently seen, the other panes of glass were already damaged and didn't form part of this claim.

I've thought about whether RSA should do more than it offered in settlement due to the issues it identified with carrying out the work itself. Having done so, I don't currently think it needs to contribute towards any of the other work. RSA identified issues with the overall structure of the conservatory, but this was pre-existing and wasn't the result of the stone hitting the glass pane. There was also pre-existing damage to the other panes of glass. In

the circumstances, I think it was reasonable that RSA decided the most appropriate way to settle the claim was to offer a cash settlement, as it wasn't possible for it to do the work.

I've also thought about the settlement amount offered. I'm aware Mr D provided a quote to RSA for work to the roof. This seemed to include more extensive work on the roof and also used different materials by replacing the glass with polycarbonate. I wouldn't expect RSA to cover the majority of these costs as it included work that didn't form part of the claim.

However, I asked RSA to check the amount it had offered included all of the costs and was an amount that would allow Mr D to get the work done himself, given RSA said it couldn't do the work. RSA checked the figures and said it had incorrectly calculated it. The revised figure was £920.20, which covered the cost of the glass itself, removing and refitting the pane and a height work surcharge. So, I currently think RSA should pay this amount in settlement. This figure doesn't include VAT, so RSA should either pay this when it makes the settlement or if it requires proof that VAT was paid, it should pay the VAT element when Mr D provides evidence of VAT costs. I also currently intend to require RSA to pay interest on the cash settlement as Mr D lost use of the money. I'm aware there is an excess to pay on the policy, which RSA might need to deduct from the settlement amount if it hasn't already taken it.

I've also thought about compensation. I can see that Mr D has been caused distress and inconvenience by the way his claim has been handled, including that RSA incorrectly calculated the cash settlement. So, I currently intend to say RSA should pay £100 compensation.

I asked both parties to send me any more information or evidence they wanted me to look at by 11 January 2023. Both parties replied before that date and agreed with my decision. RSA confirmed that following my provisional decision, it had paid the settlement and would pay the VAT element if Mr D provided evidence of this.

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've decided to uphold this complaint and for the reasons given in my provisional decision. I haven't found any reason to change my view on this complaint or how it should be resolved.

Although RSA has confirmed it has made the payment, this final decision still includes the full details of how I think the complaint should be settled to ensure this is clear.

Putting things right

RSA should pay a cash settlement of £920.20 and VAT on this amount, if appropriate. It should also pay interest on the settlement amount and £100 compensation.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require Royal & Sun Alliance Insurance Limited to:

- Pay a cash settlement of £920.20
- Pay VAT on this amount. It can ask Mr D to provide evidence of the VAT element if it requires proof of this.

- Pay 8% simple interest on this amount from the date on which Mr D first made the claim to the date on which Royal & Sun Alliance Insurance Limited makes the payment.
- Pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 6 February 2023.

Louise O'Sullivan
Ombudsman