

The complaint

Miss J complains about difficulties she experienced when attempting to make a claim on her Home Insurance policy with Royal & Sun Alliance Insurance Limited ("RSA").

What happened

Miss J arranged for her home insurance cover with RSA to be transferred to her new property before moving home in February 2022. RSA says there was a system issue which meant policy documents couldn't be issued.

Miss J raised a complaint with RSA because she needed to provide these documents to her solicitor and was worried about her home purchase falling through. RSA sent Miss J a letter confirming the buildings cover and paid her £100 compensation as an apology.

In March 2022, Miss J contacted RSA about a leak in her bathroom and was told it couldn't find a record of her policy. She says she made numerous calls and no progress was made to rectify the situation. She says she had to independently organise a plumber to visit and stop the leak.

In June 2022, Miss J phoned RSA again after discovering another leak in her bathroom. She said a plumber wasn't able to isolate the leak and told her she needed to arrange trace and access. She was told once again that there was no record of her policy. After she was put through to another team, she was told there was a policy in place, but the change of address hadn't been completed due to a systems issue. Miss J was told that the systems issue had been fixed and the change of address could be completed. However, Miss J's premium had increased by £56.

Miss J raised a complaint with RSA. She said she'd been told there was no policy in place from February and felt she should be refunded the premiums for the period there was no cover.

In response to her complaint, RSA said Miss J's change of address couldn't be completed on the policy due to a technical issue. Although there were notes to indicate the matter had been reported, there was nothing to show any further action had been taken.

RSA said it was arranging for the policy to be re-written. Once this was done, it would be able to assess a claim if Miss J still needed to make one. It paid Miss J £50 compensation for the frustration she'd experienced.

In August 2022, Miss J made another complaint to RSA about a payment of £213.70 which had been taken from her bank account. RSA said the payment had been taken in error. It should have deducted an amount taken under the previous policy. RSA had refunded £149.56 but it should have refunded a further £42.77 as September and October's instalments weren't due yet.

RSA said it would pay £42.77 as a gesture of goodwill, so that no further payment would be taken for the current period. It said it would pay her another £50, so she'd receive a total of £92.77 compensation.

Miss J remained unhappy, so she referred her complaints to our service. She thought RSA should refund the premiums she'd paid for February to the end of July 2022 (with interest), because she said the policy technically didn't exist. She also thought RSA should pay her significantly more compensation because of the work she'd had to cover independently, as well as the distress and inconvenience she'd experienced.

I issued a provisional decision on 9 January 2023 where I explained why I intended to uphold Miss J's complaint. In that decision I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Based on what I've seen so far, I intend to uphold Miss J's complaint. I'll explain why.

I haven't looked at the matters dealt with in RSA's final response letter dated 10 February 2022 because Miss J brought her complaint to us more than six months after the date of the letter. Miss J has confirmed she understands this. Her concerns mainly relate to what happened after she tried to make a claim in March 2022.

I can see that Miss J spoke to RSA on more than one occasion in late March 2022, after she noticed a leak in her bathroom. Miss J was initially told that a policy couldn't be found for her. However, from what I understand a home emergency visit was arranged.

Miss J phoned RSA the next day because she wanted to make a trace and access claim in order to find the source of the leak. I understand RSA was willing to honour the claim, but it couldn't be logged due to an issue which meant her cover at her new home wasn't reflecting on RSA's system.

I've listened to a recording of Miss J's conversation with a representative from RSA's claims team. In this, Miss J was told that RSA couldn't arrange the trace and access visit for her, until the systems issue was fixed. The representative suggested that Miss J might want to arrange trace and access herself. He said that if Miss J provided photos of damage and an invoice (with a breakdown) from a leak detection company or plumber, it would assess her claim once it was set up on its system.

There doesn't appear to have been any further contact from Miss J until around three months later when she called regarding another trace and access claim. Miss J told RSA that a home emergency plumber had visited after she'd discovered a leak in her bathroom that morning.

Once again, Miss J was initially told that a policy couldn't be found for her. She was transferred to another team and was told this was due to a systems issue which had been resolved. However, the change of address needed to be completed. After confirming the details for the new property, the RSA representative told Miss J that her premium had increased by £56. Miss J was told she'd need to agree to the additional premium for her claim to be considered.

Miss J says she was unable to claim because she was told there was no policy. She says RSA refused to honour her policy and would not let her raise a claim to have someone carry out trace and access at her property.

I'm aware that Miss J was told there was no policy at her current address by some of the RSA representatives she spoke to. However, I'm satisfied that the representatives she spoke to (in the calls I've referred to above) made it clear that there was cover in place and she could make claims if she wanted to.

The terms of the policy say:

"Trace and access.

Finding a leak: if it's necessary to remove and replace any part of your buildings to find the source of water or oil leak from a heating or water system, we'll pay the cost. The most we'll pay is the trace and access limit shown on your Policy Schedule."

The terms don't specifically say that RSA will arrange trace and access. However, in the call of 28 March 2022, the RSA representative told Miss J that they would normally arrange trace and access after setting up a claim. So, I appreciate Miss J's frustration that she'd had to do this herself.

RSA was aware there was an issue with the change of address on the policy in February 2022. It's acknowledged that appropriate steps weren't taken to make sure the change of address was actioned following Miss J's calls in March 2022. I think it would have been particularly frustrating for Miss J to find that the matter still hadn't been resolved when she called again in June.

Miss J was caused further frustration and inconvenience when RSA took a payment from her in error in August 2022.

RSA has paid Miss J a total of £142.77 for the two complaints I've considered. However, I don't think this is enough to compensate her for the distress and inconvenience she's experienced.

It took RSA almost six months to fully resolve the issue regarding the change of address. This meant that Miss J experienced frustration and inconvenience when she attempted to make claims in March and June 2022. She was caused additional upset when an incorrect payment was taken from her account in August 2022. So, I think it would be fair for RSA to pay Miss J an additional £150 for distress and inconvenience.

RSA has said it would be willing to consider a claim from Miss J, but it's told us that she hasn't pursued this. If Miss J would still like to make a claim, she should contact RSA."

I set out what I intended to direct RSA to do to put things right. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

Responses

Miss J said she felt strongly that RSA should refund her for the period where it was not honouring its contract with her. She said it didn't feel right that RSA had taken money from her and refused to give her the service she was paying for (i.e. organising the trace and access).

RSA said it was happy to pay Miss J a further £150.

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 why Miss J believes it would be fair for RSA to refund the premiums from the start date of the policy until it was successfully set up on its system. However, I'm satisfied that Miss J had cover from the start of the policy and RSA has said it would be willing to consider a claim if Miss J was to make one.

As I said in my provisional decision, the terms of the policy don't specifically say that RSA will arrange trace and access. I appreciate that Miss J didn't receive the service she expected when she contacted RSA. But I think the compensation I'm asking RSA to pay fairly recognises the impact this had on her. So, I'm not persuaded that RSA should also refund the premiums.

Putting things right

RSA should pay Miss J an additional £150 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Miss J's complaint and direct Royal & Sun Alliance Insurance Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 22 February 2023.

Anne Muscroft
Ombudsman