

The complaint

Mr and Mrs H have complained about Royal & Sun Alliance Insurance Limited (RSA). They are not happy about the way it dealt with a claim under their building's insurance policy after a fire at their property.

For ease of reading any reference to RSA includes its agents.

What happened

Mr and Mrs H made a claim under their buildings insurance policy back in 2019. The fire was substantial, and the claim was drawn out, partly because of the extent of the fire. Mr and Mrs H were out of their property for quite a period of time in alternative accommodation. And when they returned home they were very disappointed to find their property wasn't repaired to a satisfactory standard, so they complained to RSA about this.

Mr and Mrs H noticed a number of issues with their property and found a lot of the repairs to be substandard. They highlighted that they didn't get given choices for fittings and that some of the fittings were faulty; that they were unable to use the bath; the shower and conservatory roofs were leaking amongst other things. RSA offered a cash settlement offer which Mr and Mrs H accepted of around £50,000 after prolonged discussions. However, they felt RSA's offer of £500 compensation wasn't sufficient as they thought they should be paid thousands more in compensation.

Our investigator looked into things for Mr and Mrs H and eventually upheld their complaint. She thought RSA had clearly delayed matters, made errors and not fully taken account of Mr H's poor health when he returned to the property. So she thought the level of compensation should be lifted to £800.

Although RSA accepted the position Mr and Mrs H did not, they maintained that they should be paid thousands of pounds more in compensation. So the matter has been passed to me for review.

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 have a lot of sympathy for the position Mr and Mrs H had to face on return to their property after an extensive fire. They were out of the property for a while in alternative accommodation, paid for under the policy, and then had to endure a property that wasn't repaired to the required standard.

I'm pleased to see a satisfactory outcome has been reached in relation to the outstanding repairs so I will solely focus on the key remaining issue here, the level of compensation. And I must highlight that the newer issue Mr and Mrs H raised to our investigator, in relation to an ongoing leak that *may* be attributed to the repairs RSA undertook after the fire, would have

to be raised and considered as a new complaint with RSA in the first instance. And if Mr and Mrs H aren't happy with its response they can refer the matter to this Service.

Turning to the level of compensation I can see Mr and Mrs H faced a fair degree of stress, worry and inconvenience here. However, a claim such as this one (involving extensive fire damage) was always going to be stressful, worrying and take time to resolve and a lot of the worry and stress stems solely from the fire. And I can't hold RSA responsible for this.

Indeed, I note a lot of the concerns Mr and Mrs H raise around the level of compensation have actually been covered by the substantial settlement as opposed to being part of any compensation award. For example, issues around the fire surround, architrave, skirting and the corner bath have been raised by Mr and Mrs H in relation to the level of compensation, but these issues were dealt with by RSA as part of the settlement of the claim.

However, it is accepted that the property wasn't repaired to the required standard by RSA and Mr and Mrs H faced unnecessary stress and inconvenience in addition to that caused by the fire itself. I know Mr and Mrs H would like thousands by way of compensation but unfortunately claims like theirs can be difficult, drawn out and very stressful and awards are generally modest. But I do agree their property should've been better repaired in the first instance, and it was inconveniencing and stressful to realise that it hadn't been. It must have been very worrying to live with the poor repairs and to have had to chase to put things right.

So I agree with the position outlined by our investigator and I think RSA should pay £800 compensation as opposed to £500. Mr and Mrs H feel that RSA should pay more to prevent RSA treating anyone else in this way. But this Service isn't here to punish businesses but to look to put people back into the position they should've been but for the errors caused. And I feel £800 is fair and the increase acknowledges the amount of chasing and hassle they faced and the fact that Mr H's poor health wasn't fully taken into account by RSA.

My final decision

It follows, for the reasons given above, that I'm upholding this complaint. I require Royal & Sun Alliance Insurance Limited (RSA) to pay Mr and Mrs H £800 (total) compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 9 December 2023.

Colin Keegan
Ombudsman