

The complaint

Mr L and Miss M are unhappy with the level of service they received from Royal & Sun Alliance Insurance Limited throughout a claim they made on their home insurance.

What happened

The details of this complaint are well known to all parties, so I will not repeat them again in full detail here. But to briefly summarise, this complaint centres on the level of service Mr L and Miss M received during their claim for an escape of water (and sewage) into their home. In particular, the complaint is about avoidable delays and communication issues. The claim outcome is not in dispute.

RSA accepts its service fell short and that Mr L and Miss M have suffered undue distress and inconvenience as a result of its, and its agents', handling of the claim. In its final response to Mr L and Miss M's complaint, RSA offered £50 compensation, in addition to £100 offered by one of its agents, and its apology.

One of our investigators considered Mr L and Miss M's complaint and thought RSA needed to do more to put things right. She acknowledged that RSA had accepted its shortcomings and made an effort to put things right. But she didn't think £150 was sufficient compensation in the circumstances. She recommended RSA should increase the total compensation to £250.

RSA accepted our investigator's opinion, but Mr L and Miss M didn't. So, as no agreement could be reached, the complaint was passed to me to decide.

I was minded to reach a different outcome to our investigator, and to award additional compensation. So, I issued a provisional decision to give the parties the chance to comment further on the award I was minded to make, before I reached my final decision. Here's what I said:

"What I've provisionally decided – and why

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

Having done so, I'm minded to reach a different outcome to our investigator and award a higher amount of compensation. I'll explain why.

Firstly, I should be clear here that this complaint focuses only on the level of service Mr L and Miss M received from RSA during its handling of their claim between 4 January 2022 and the date of its final response letter 11 March 2022. I'm aware that a second complaint has been made about events following 11 March 2022 and that RSA has awarded further compensation for that complaint. But I can't consider that here. Any compensation I award is for the initial, aforementioned time period only.

Our investigator set out a detailed timeline of events in her assessment of Mr L and Miss M's complaint. I don't intend to repeat or restate the events in detail as the parties aren't disputing that things went wrong. Instead, I'll summarise the issues at a high level, and will only mention in more detail the key issues which have led me to think that RSA should pay a higher level of compensation.

In its final response letter, RSA set out the various issues as follows:

- Delay on the internal works including sanitisation*
- Delay in the allocation of your complaint*
- Delay in the reinstatement of the step*
- Delay in the collection of the driers*
- Delay in the settlement of the claim*
- Delay in the attendance of (redacted name of contractor)*
- Delay in repairs by (redacted name of contractor)*
- Calls made to the claims team*
- Failure to update*
- Excess collection*

RSA doesn't accept that it was at fault for all of the above issues. It says some of the delays were due to Mr L needing to self-isolate as a result of COVID-19 and a dispute which arose around underinsurance. However, it has accepted that Mr L and Miss M needed to call numerous times for updates, that two of its agents both attempted to collect the policy excess, that repairs and drying were both delayed and that a step wasn't reinstated when it ought to have been, which resulted in Mr L injuring himself by walking on the step which its agent hadn't resecured.

I've thought carefully about everything that happened. It's important to acknowledge that claims of this nature will be distressing and inconvenient by their very nature, and that isn't something which RSA can reasonably be held responsible for. Nor would it be reasonable to hold RSA responsible for the entire length of time the claim took to resolve, because some of the delays were outside of its control. However, from what I've seen, I think RSA has caused some avoidable delays and compounded this by not being clear enough in its updates, resulting in Mr L and Miss M having to spend time calling and chasing RSA or its agents unnecessarily.

Mr L and Miss M has explained the stress and worry this caused them, especially because of the potential impact the sewage could have had on their family. I think it's understandable that they felt this way and I think this could have been avoided had RSA, and its agents, better managed the claim and communications.

In addition, it doesn't seem to be in dispute that Mr L suffered an injury as a result of a timber step being left unsecured between its removal and scheduled reinstatement. While I can see that it was agreed the step would not be reinstated until after the date Mr L hurt himself, I agree with our investigator that RSA ought to have taken reasonable steps to make the site safe in the interim. As I understand it, the step was secured in place prior to RSA's contractor's initial visit but not resecured, even temporarily, after that.

I think RSA, as the principal of its agent, fell short here. And I think this issue compounded the other service issues Mr L and Miss M had already had to contend with up to that point. I understand this wasn't a significant or long-lasting injury. But suffering any injury would be upsetting and inconvenient and I'm not persuaded that RSA's increased offer following our investigator's assessment – £250 – goes far enough to recognise the impact RSA's errors have had on Mr L and Miss M overall.

Taking into account everything that happened, I think a fairer amount of compensation for the avoidable distress and inconvenience RSA has caused Mr L and Miss M would be £500."

Both sides have responded to confirm that they accept my provisional conclusions. So, I'm moving forward with my final 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.

Both sides have confirmed they accept my provisional decision. So, as all parties are in agreement as to what is fair and reasonable in this case, my final decision is the same as my provisional decision – and for the same reasons.

My final decision

For the reasons set out above, and in my provisional decision, I uphold Mr L and Miss M's complaint.

Royal & Sun Alliance Insurance Limited must pay Mr L and Miss M a total of £500 compensation for the distress and inconvenience they have suffered as a result of its service failings.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Miss M to accept or reject my decision before 14 March 2023.

Adam Golding
Ombudsman