

## **The complaint**

Mr D complains about Royal & Sun Alliance Insurance Limited's ('RSA's') handling of a claim made under his commercial property insurance policy.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my 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.

RSA did cause some avoidable delays. For example, there was around a three-week delay at the outset of the claim. This was due to poor communication between RSA and its loss adjuster, and was only resolved when Mr D called RSA. I see that RSA took two weeks to approve the drying works. It took the loss adjuster around a month to ask RSA to approve the quotes, and it took around three weeks for RSA to approve the cash settlement.

I think some of the other delays were outside RSA's control. For example, delays in the contractor starting the repairs due to the Christmas period, and the problems that RSA's loss adjuster and contractor experienced getting in contact with the leaseholder in the downstairs property. Also, once the cash settlement had been offered, it seems Mr D didn't accept this for a number of weeks.

I find that the loss adjuster's communication with Mr D was poor. I can see he was continually trying to obtain updates from the loss adjuster, and some of his emails went unanswered.

The boiler for the downstairs property was inspected in November 2021. This found that a new boiler was needed due to the water damage, but this wasn't actioned by RSA for some months. However, this didn't directly affect Mr D as he didn't live in that property (the leaseholder lived there), and so I won't be awarding compensation to him for this delay.

Mr D says that RSA hasn't reimbursed his expenses, but he hasn't detailed what these are. I see the loss adjuster explained that electric costs for the dehumidifiers would be reimbursed once the calculations had been received from the contractor. If Mr D hasn't had his electric costs reimbursed, I would suggest he contact RSA about this in the first instance.

Mr D has explained how he's been impacted by the matter - including needing to take time off work to attend appointments, spending a lot of time emailing and calling RSA and its loss adjuster for updates. He also said his relationship with the downstairs leaseholder was affected, and his tenants also ended up moving out.

In all the circumstances, I agree with our investigator that £500 compensation is reasonable here. This recognises the delays caused by RSA, and its poor communication.

Mr D says a second leak wouldn't have happened if there hadn't been unnecessary delays in RSA dealing with the first leak. I haven't seen any evidence of this. The second leak was in a different area of the bathroom and unrelated to the first leak. Although Mr D says that RSA's drying contractors caused the damage to the toilet, again, I haven't seen evidence of this. So I think it was reasonable for RSA to deal with the second leak as a new claim.

Mr D says he understood there would be alternative accommodation for his tenants, though I see that the loss adjuster confirmed to him on 30 September 2021 that the policy only covered loss of rent and not accommodation for tenants. I note that the loss adjuster later confirmed that RSA could consider a reduction in rent if the tenants remained living in the property.

Mr D did reduce his tenants rent whilst the matter was ongoing, and RSA settled this claim before Mr D brought his complaint to this Service. Although he wants interest to be paid on this, as the settlement has already been paid by RSA and I'm not making a money award for this, I don't require it to pay interest.

RSA offered Mr D £100 compensation for failing to respond to his emails of June 2022 until 6 July 2022. This didn't form part of Mr D's initial complaint to this Service, but he's since asked us to consider this. I'm satisfied this compensation amount was reasonable and recognised the inconvenience caused to him. Mr D has confirmed it hasn't yet been paid.

### **My final decision**

My final decision is that I uphold this complaint. I require Royal & Sun Alliance Insurance Limited to pay Mr D £500 compensation for its handling of the claim.

I find that RSA's offer of compensation to Mr D for failing to respond to his emails was reasonable. I therefore also require RSA to pay Mr D £100 for this (if it hasn't already done so).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 4 December 2023.

Chantelle Hurn-Ryan  
**Ombudsman**