

The complaint

Mr and Mrs P complained about several aspects of their home insurance claim as they didn't think Royal & Sun Alliance Insurance Limited ("RSA") treated them fairly or compensated them reasonably during the rectification works at their home.

What happened

Mr and Mrs P made a claim to RSA following a leak at their property. The claim was validated by RSA and was accepted. It appointed contractors to manage the rectification works following the damage. However, Mr and Mrs P were unhappy with different aspects of the process.

Mr and Mrs P said they made their claim in August 2020 and the rectification works weren't completed until June 2022. They felt unsatisfied with parts of the work. They thought there were unreasonable delays which led to the work taking too long. During this time, Mr and Mrs P didn't feel they were treated fairly – they didn't have cooking facilities and were unhappy a temporary kitchen pod wasn't provided or alternative accommodation whilst the works were in progress.

Mr and Mrs P felt the communication from RSA was insufficient and they didn't feel like their work was a priority. Mr and Mrs P have asked for compensation of £20,000. They've estimated two hotel rooms would've cost RSA £900 a week from September 2021 to June 2022.

RSA said it offered alternative accommodation (AA) whilst the works were taking place as cooking facilities weren't available. Mr and Mrs P did reside in AA for twenty days or so, but they preferred to be at home. RSA said due to the circumstances a temporary kitchen pod wasn't an option, so it offered to pay a disturbance allowance as a gesture of goodwill. RSA said the property was dry in July 2021, but a new damp problem meant the repairs couldn't be completed. As trace and access wasn't provided under the cover, Mr and Mrs P had their own plumber identify the cause of the leak / damp area. RSA arranged for this area to be dried.

RSA said the cause of the secondary damp area was due to a historic issue before it was on site. However, Mr and Mrs P thought this was caused by the work carried out by RSA. During this investigation and drying out of the second leak, RSA initially put the disturbance allowance payment on hold. However, it changed its mind on this point, and paid this by backdating the payment to Mr and Mrs P for an amount of £3,995. RSA said the damp would re-surface if Mr and Mrs P didn't address an issue with their damp course.

However, RSA did acknowledge it had caused some minor delays during the claim, for example, there was a delay for the report from one of its contractors – so it paid Mr and Mrs P £100 compensation for these delays, as well as £100 for temporarily halting the disturbance allowance payments.

Our investigator decided not to uphold the complaint. He thought RSA had provided evidence that it had carefully considered Mr and Mrs P's issues during the claim and that it

had fairly addressed these. He thought the compensation paid by RSA was reasonable for distress and inconvenience it had caused. Mr and Mrs P disagreed, so the case has been referred to an ombudsman.

My provisional decision

I issued a provisional decision on this on 16 February 2023. I said:

"It's important to point out that I can only consider the points that RSA has had the opportunity to address in this specific complaint. Mr and Mrs P made another complaint in relation to this claim and RSA issued a final response to that complaint on 25 May 2021, which included an offer of compensation. Therefore, I can't consider these points again, so in my decision I will focus on what's happened after this date.

I have first considered whether I think Mr and Mrs P have been provided with an adequate allowance or AA during the claim. RSA paid for Mr and Mrs P and their family to reside in AA when the works deprived them from the use of their kitchen facilities. I think this was a sensible and reasonable approach.

AA doesn't suit everyone, and Mr and Mrs P decided they would prefer to be in their own home. I don't think this was a decision encouraged or influenced by RSA. But I can see RSA started paying Mr and Mrs P £35 a day "disturbance allowance" as a goodwill gesture at this point. I think this is reasonable and is slightly higher than industry norms which are £10 per adult or £5 per child per day. The disturbance allowance won't cover everything, but it is in recognition that living conditions are tougher so costs maybe higher during this period (E.g., eating out or takeaway food instead of home cooked food).

Mr and Mrs P has asked for significant compensation on top of this – they've calculated this based upon what the cost of AA was likely to cost. However, it was their decision to move out of AA. RSA don't have an obligation to pay Mr and Mrs P the savings it made from paying disturbance allowance versus the cost of it paying AA. I think RSA has paid reasonable expenses to reflect the conditions Mr and Mrs P were facing at the time.

I appreciate Mr and Mrs P were unhappy a temporary kitchen pod wasn't a viable option. However, I can see that RSA did explore this, but due to the layout of the property this wasn't possible. I don't think this can be held against RSA. And I can't see that there was a specific request at this point for Mr and Mrs P to be re-housed in AA. Therefore, I don't think RSA has done anything wrong.

Mr and Mrs P were unhappy with delays with their claim. I have looked at the timeline of events since the 25 May 2021. A significant amount of time of the claim was drying the property out after the leak. This was extended due to a second area of dampness that was discovered. With any repairs, I think it's reasonable for the insurer to properly dry the house out – doing any repairs and decoration before this time wouldn't be pragmatic as the damp would cause future issues. So, I can't find fault in RSA waiting for the property to be dry.

I can see there was a disagreement in relation to the second damp area. Once RSA had identified this area, it requested for Mr and Mrs P to arrange for the cause of this to be pinpointed. RSA explained to Mr and Mrs P they didn't have "trace and access" services provided under their policy, so they needed to source their own contractor to locate the leak and fix it. I don't think it was unreasonable for RSA to set this expectation given Mr and Mrs P hadn't paid for this type of cover.

Once the area of dampness had been pinpointed there was a disagreement on the exact cause. Mr and Mrs P suggested it was caused by some of RSA's previous work. RSA's

contractor reported it was due to an air flow issue through the brickwork due to crumbled mortar. As this was contested by Mr and Mrs P, a second surveyor was appointed to review the cause of the damp. He agreed to the findings of the previous contractor. I can see there was evidence of longstanding damp issues as the brickwork had previously been injected. I haven't seen any evidence or expert reports to support Mr and Mrs P's viewpoint, so I find the expert report produced by RSA's contractor to be persuasive. Therefore, I don't think it's fair to say RSA has been responsible for these delays.

RSA did stop the disturbance allowance temporarily during this period and effectively put the claim on hold. However, I'm glad it changed its mind on this and paid Mr and Mrs P the allowance during this time. It paid £100 compensation for causing some distress here. I think this is reasonable, as I think RSA has fairly put Mr and Mrs P back in the position they should've been in.

I have reviewed the overall timeline from June 2021 to January 2022 when the final response on the complaint was made (I'm not considering pre-May 2021). Whilst I appreciate a significant amount of time has passed, I can't see obvious periods of delay caused by RSA. RSA has said it could've speeded up some minor aspects and has already compensated Mr and Mrs P £100 for this inconvenience. But, as I can't see evidence of extended delays caused by RSA, I won't be recommending anything further here.

Mr and Mrs P were unhappy their underfloor heating wasn't connected by RSA, and they had to pay separately for this. The policy is a normal home insurance policy, in that it covers re-instatement, replacement and repair. Mr and Mrs P didn't have underfloor heating before the leak, so this represented an upgrade to their previous facilities. As this wasn't covered by the policy, I don't think it's fair to expect RSA to pay this. Mr and Mrs P hadn't paid RSA anything in their premium to cover this work.

I appreciate Mr and Mrs P have had a difficult experience and this will have placed strains on their family and day to day living. I think Mr and Mrs P's vulnerable circumstances may have made it more difficult for them to understand telephone communications. Therefore, I've considered whether RSA did everything expected of them in this claim to help Mr and Mrs P.

I think it's clear that RSA would've had an awareness that Mr and Mrs P had certain needs. I can see Mr and Mrs P explained these needs when they made their complaint and expressed their vulnerability. However, having been made aware of this vulnerability, it doesn't appear that RSA has acted upon it.

I would've expected to see evidence of RSA asking Mr and Mrs P whether they needed it to do anything differently or to make any adjustments to take account of the vulnerability. As I haven't seen evidence that RSA has done this, I don't think it has treated Mr and Mrs P fairly. I think this has led to a greater level of communication difficulties during the claim than I would normally expect. I think this is likely to have added to Mr and Mrs P's confusion with what was happening with the claim. I think they would've found it difficult to follow what was happening.

As the claim has been so protracted, I think the strain on Mr and Mrs P would've been significant. I think this has been intensified by their vulnerable circumstances, so I think the impact on them would've been greater. So, whilst I don't hold RSA accountable for the delays, I do think it should've done more to help Mr and Mrs P to understand the problems and to explain the process. Therefore, for the distress and inconvenience this has caused, I intend to award £500 in compensation. So, I intend to uphold this complaint".

Responses to my provisional decision

Neither party has indicated whether they accept my provisional decision and they have not provided any further information.

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.

Given neither party has provided any new information, I see no reason to change my provisional decision.

My final decision

My final decision is that I uphold this complaint. I require Royal & Sun Alliance Insurance Limited to:

- Pay Mr and Mrs P £500 compensation for distress and inconvenience (this is in addition to the £200 already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 19 April 2023.

Pete Averill
Ombudsman