

The complaint

Mr G complains about the way Royal & Sun Alliance Insurance Limited handled his claim for a water leak under his home insurance policy.

What happened

As the circumstances of this complaint aren't in dispute, I'll summarise what happened.

- Mr G got in touch with RSA in May 2022 after being alerted to a significant water leak from a pipe underneath his home.
- RSA appointed a drainage company, C, to look into the problem. After initially declining the pipe claim, RSA accepted it.
- C carried out work to the pipe in August – but this didn't resolve the leak. It carried out further work and the leak was stopped in November.
- Mr G complained about the way the claim had been handled.
- RSA conceded the claim had been handled poorly. It paid £150 compensation. After the problems continued, it offered a further £500 compensation.
- Our investigator didn't think this went far enough to put things right. He thought compensation should be increased to £800 in total to take into account the distress and inconvenience caused by the way the claim was handled.
- RSA accepted this. Mr G didn't. He said as of March 2023 the claim was ongoing and continued to cause him distress and inconvenience and interfere with his daily life.

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.

The scope of this complaint is the way RSA handled the claim from the outset to the time the leak was fixed in November 2022. I understand the claim continued after that as internal repairs to the water damaged areas were carried out. If Mr G is unhappy with how the claim was handled after November 2022, he's entitled to raise a new complaint with RSA.

There's no dispute now that the claim for the pipe damage or the internal water damage was covered by the policy – or that the claim was handled poorly. The dispute is simply about how much RSA should pay to fairly compensate Mr G for that. As both parties are broadly agreed on what went wrong, I'll summarise the key points:

- The claim was initially declined for wear and tear despite C not finding the source of the leak. Mr G had to battle with C to have it accepted.

- Overall, it took from May to November to repair the leak. That was too long and allowed the water damage to worsen in the meantime.
- Mr G and his family had to move into alternative accommodation to facilitate the building repairs. He questions whether this would have been necessary had the leak been stopped promptly.
- C made a number of appointments that it didn't keep. It didn't communicate clearly, promptly, or proactively.
- The local water authority alerted Mr G to the leak and continued to chase him to resolve it, including threatening legal action against him because it remained outstanding for so long.
- C carried out poor workmanship. For example, it replaced the pipe at too shallow a depth, so it had to be replaced a second time. It also caused damage to the property, including the outdoor tap, plants, planters, guttering, paving slabs and the driveway.

This isn't an exhaustive list of everything that went wrong, but it does highlight some of the most significant problems.

Taking all of this into account, I can understand why Mr G feels badly let down by RSA. Its claim notes show he expressed many times the extent of the leak, the pressure he was under from the local water authority and the urgency of the situation. Despite that, the claim was declined without clear and persuasive evidence to support that position. And once accepted, it moved slowly. Mr G usually had to chase for an update on progress or to prompt the next steps. RSA itself had to chase C at times, which added to the delay.

Having to replace the pipe a second time also added to the delay. I think it would have been very frustrating and distressing for Mr G to think the leak had been stopped and the building repairs could progress – only to find out that wasn't the case and the work needed to restore his home to its former condition couldn't progress.

Overall, I'm satisfied there was clearly a significant delay and poor communication. And that undoubtedly caused avoidable distress and inconvenience to Mr G and his family.

Whilst it's possible an early repair of the pipe may have avoided the need for alternative accommodation, I haven't seen persuasive evidence this was likely the case. The leak was significant, wasn't noticed immediately, and it's inevitable much damage would have been caused before it could have reasonably been stopped. So I'm not satisfied it would be fair to hold RSA responsible for the need for alternative accommodation.

I understand RSA and/or C agreed to put right any damage C caused. That's the right thing to do, but I think it should have been done more proactively to minimise the distress and disruption to Mr G.

In the circumstances, I'm satisfied a total of £800 compensation is reasonable for the avoidable distress and inconvenience caused up to the time the leak was repaired in November 2022. I haven't considered events beyond that time. If RSA has paid any compensation amounts already, it need only pay the remainder.

My final decision

I uphold this complaint.

I require Royal & Sun Alliance Insurance Limited to pay a total of £800 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or

reject my decision before 20 October 2023.

James Neville
Ombudsman