

## **The complaint**

Mr C complains about Royal & Sun Alliance Insurance Limited trading as More Than ("RSA") for the settlement it has offered following a claim. He wants RSA to reimburse the costs of repairs he incurred and to pay him for the time he spent managing the works.

## **What happened**

Mr C insured his home with RSA.

In July 2021, Mr C's home suffered an escape of water from the soil vent pipe of his ensuite bathroom. This leaked into the kitchen below and caused damage to both rooms. It appears that the pipe may have become dislodged through vibrations from nearby heavy traffic.

Mr C submitted a claim to RSA. The claim was accepted, and Mr C wanted RSA to carry out the repairs to his ensuite bathroom and the kitchen below.

Strip out, drying and sanitation works took place and the property was confirmed dry in November 2021.

Mr C decided that he wanted to make some changes to the ensuite during repairs, including a change to the suite and the tiles to be used.

There was a delay through December and January as RSA required Mr C to make payment of the difference in materials costs before work could begin.

Repair and reinstatement works began in February 2022, but the relationship between Mr C and the contractors broke down and the contractors left the site.

RSA then decided to cash settle the works and made an offer to Mr C of around £2900. This was later increased to include a kitchen panel.

Mr C obtained quotes for the repairs and received two quotes. One was for around £4900 plus VAT and the other was for around £3900 plus VAT. The £3900 quote did not include the cost of painting the ensuite. Mr C elected that lower quote and told RSA.

He expected that the settlement would be increased to match this cost, and that RSA would pay him for carrying out the painting works himself.

RSA declined this and Mr C complained.

RSA sent its final response letter in July 2022. It pointed to the policy wording which set out that when cash settling claims it would only pay the cost it would have been if carried out by RSA's preferred contractor.

RSA recognised that there had been around 1 month of unreasonable delay and offered Mr C £125 to reflect this.

Mr C was not happy and contacted us. Our investigator looked into this matter and did not consider that the complaint ought to be upheld. They considered that the policy wording was clear about the basis of settlement, and that the offer of compensation was reasonable to reflect the delays that were due to RSA.

Mr C did not accept that view and asked for an ombudsman decision.

I issued a provisional decision in respect of this matter in May 2023. In that provisional decision, I explained that it appeared to me that the decision to cash settle had been taken by RSA, and so I considered that our usual approach to cash settlement should apply. In this case that would mean that RSA paid the labour costs of Mr C's engaged contractors, and the amount it would have paid for materials and for painting (which Mr C did himself).

That provisional decision has been shared with the parties and they have been invited to comment.

RSA has provided evidence which it says shows that its contractors left the site due to unreasonable behaviour by Mr C. It thinks that it is unfair to apply our approach and effectively penalise RSA for cash settling when it believes that Mr C precipitated the contractors leaving the site.

Mr C has responded, accepting the reasoning of the decision but asking for clarification over the tiles he bought directly, and whether the cost of tiles would be reimbursed.

### **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.

To first address RSA's comments. I appreciate that RSA has indicated that Mr C caused its contractors to leave site. RSA has said that this was due to Mrs C micromanaging the process and making demands of the work which the contractors felt were beyond the scope of the job. Examples include asking for extra stability measures to account for vibrations from the nearby heavy traffic, when these measures were beyond what was being replaced. RSA also showed that the contractors felt that Mr C was breaching social distancing guidance.

I have not formed a view on whether Mr C was acting reasonably or unreasonably towards the contractors as I was not there to see the interactions, but I appreciate that RSA's contractors felt that this was the case. I have explained to RSA that I would expect a consumer be given an opportunity to correct problematic behaviour before they could fairly bear the consequences, including the financial consequences, of stopping work.

RSA has demonstrated its contractors' concerns but has not shown that Mr C was advised of any issue before the contractors left site, nor was he given a chance to rectify any issues that he presented.

As a result, I remain of the view that the decision to cash settle the claim by cash was RSA's, and so the approach I set out in my provisional decision should apply.

I therefore adopt my provisional decision and reasons, as supplemented by this decision, as my final decision.

Mr C has asked whether the provisional decision includes cash settlement for the tiles. RSA has demonstrated that like for like tiles were budgeted and provided for in the settlement

figure it originally offered.

### **Putting things right**

In order to put things right, RSA should settle the labour costs Mr C incurred from his contractors.

It should also pay to him the sums it had calculated for replacement tiles, and for painting of the bathroom, as Mr C has obtained alternative tiles and did the painting himself. These sums should be settled at the rate that RSA would have paid if doing a like for like replacement itself.

Interest should be added at a rate of 8% per annum from the date when Mr C paid his contractors up until the date of settlement.

Finally, RSA should pay to Mr C £200 compensation for his distress and inconvenience.

### **My final decision**

For the reasons given above, and in my provisional decision, I uphold Mr C's complaint and direct Royal & Sun Alliance Insurance Limited trading as More Than to:

- Reimburse Mr C for the costs of labour for his contractors;
- Pay to Mr C the sums RSA had calculated for replacement tiles, and for painting the bathroom
- Add to the above sums interest at a rate of 8% per annum; and
- Pay to Mr C £200 compensation for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 July 2023.

Laura Garvin-Smith  
**Ombudsman**