

The complaint

Mr J has complained about how Royal & Sun Alliance Insurance Limited (RSA) dealt with a claim under his home insurance policy.

What happened

Mr J contacted RSA to make a claim when he found water damage to his home. RSA sent a company to carry out trace and access. The company said the leak was because of failed shower seals. RSA later carried out some further trace and access. Mr J was told his water cylinder was leaking, which he would have to deal with himself as it wasn't covered as part of the trace and access.

Mr J replaced the water cylinder, but found the leak was still ongoing. RSA investigated further and found the leak was coming from the shower mixer valve. Mr J asked RSA to pay for the cost of the cylinder. Despite chasing on several occasions, RSA didn't reply.

Mr J later complained about the water cylinder and other issues with the claim. When RSA replied, it accepted it had taken too long to find the cause of the leak. It also said it took nearly a year for Mr J to receive a cash settlement and that the claim was poorly managed, which it said had caused Mr J and his family distress. It agreed to pay £570 for a replacement floor, but it said it wouldn't pay for the replacement water cylinder. It said its systems didn't indicate Mr J had been advised to repair or replace the cylinder and it was also quite possible there was more than one leak. It said the cost of repairs to leaks wasn't covered by trace and access and Mr J's own contractor should have carried out appropriate investigations. It also said there wasn't evidence to show it had agreed to pay for the damaged bathroom units. It said it would send a contractor to inspect the units. It also offered £600 compensation for the poor service provided.

Following this, RSA rechecked its records and found evidence it had previously agreed to pay for the damaged bathroom units. It offered Mr J £3,670 for the units.

When our investigator looked at the complaint, he didn't uphold it. He said the £600 compensation offered was reasonable and there wasn't evidence to show RSA should pay for the replacement water cylinder.

As Mr J didn't agree, the complaint was referred to me.

I issued my provisional decision on 22 June 2023. In my provisional decision, I explained the reasons why I was planning to uphold the complaint in part. I said:

This has clearly been a lengthy and difficult claim. RSA has accepted that Mr J received poor service because it took so long to find the leak from the shower. When RSA replied to the complaint, it said it hadn't agreed to pay for the bathroom units, but that it would send a contractor to inspect the items. It later reviewed the claim again and found it had previously been agreed that it would pay for the units. It offered the full cost of the units, which was £3,670. Mr J lost use of that money because of RSA's error. So, I currently intend to say

RSA should pay interest on that amount from the date on which Mr J submitted the invoice, which was 29 July 2022, to the date on which the payment was made to Mr J.

The main issue that remains outstanding is the water cylinder. Mr J has said RSA incorrectly said the water cylinder was leaking, which meant he unnecessarily paid for a new cylinder. So, I've thought about this. In RSA's response to the complaint, it said "The allegations on what was said by the inspector (to get the cylinder replaced) is one word against another and we cannot confirm with them directly and our system does not indicate this advice was given". I've looked at the trace and access report. This said: "The unvented hot water cylinder needs to be repaired/replaced". I've also seen an email from someone acting on behalf of RSA who said "I did advise you to repair the water cylinder to mitigate any further damages". So, I think the evidence shows that Mr J was told to repair or replace the cylinder.

So, I've thought about whether that advice was reasonable. The trace and access report included photos, one of which was labelled "Water escaping from the underside of the hot water cylinder". So, I think RSA assessed the cylinder and found what appeared to be a leak. Mr J arranged for his own plumber to replace the cylinder. I'm aware Mr J has told this service "that having already advised that our plumber was insistent that the water leak wasn't down to the [cylinder], on the say so of the appointed Trace and Access expert, we were told it was leaking and needed to be replaced immediately so as to not make the situation any worse and invalidate our insurance cover". I've looked at all the evidence provided by both parties and I didn't see anything that suggested to me that before the cylinder was replaced Mr J had told RSA his plumber had said it wasn't leaking or that, having been provided with this information, RSA still insisted the cylinder be replaced regardless. However, I did see emails sent after the cylinder had been replaced where Mr J told RSA there was still a significant leak.

I can understand, given there was still a leak, that Mr J thought he had been misadvised. However, I'm not currently persuaded that a leak later being found elsewhere meant there wasn't also a leak from the cylinder. During the trace and access, RSA found evidence that indicated the cylinder was leaking. Mr J arranged for his own plumber to replace the cylinder and, based on the evidence I've seen, it was only when there was still found to be a leak that Mr J seemed to say to RSA that he thought the leak wasn't from the cylinder. So, I don't think the evidence I've currently seen shows that the trace and access investigation reached a wrong or unreasonable conclusion. As a result, I don't currently intend to say that RSA needs to pay for the replacement cylinder. I also note RSA later agreed to cover the cost of replacing the flooring the cylinder was on as part of the claim. I currently intend to say RSA should also pay interest on this amount, as Mr J lost use of that money for more than a year, as RSA didn't confirm it would cover the cost until it responded to the complaint.

I've also thought about compensation. I'm aware Mr J has been caused considerable inconvenience by the way his claim was dealt with. RSA offered Mr J £600 compensation, which was in addition to £150 compensation it had previously offered for a complaint related to an earlier part of the claim. I think £600 compensation is a significant amount of compensation and, having thought about all the issues with the claim, is in line with the amount I would have required RSA to pay had it not already offered this amount. As a result, I don't intend to require RSA to pay any further compensation.

I asked both parties to send me any more information or evidence they wanted me to look at by 20 July 2023.

RSA agreed with my decision.

Mr J provided some documents and photos. He also provided further comments, which in summary were:

- The record keeping system for the company dealing with claim on RSA's behalf was, at best, dubious. He understood RSA had problems getting records from that company and also received contradictory accounts.
- RSA had said Mr J should have carried out appropriate investigations. Mr J's plumber carried out extensive investigations when the leak was first detected. The plumber ruled out that it was the shower tray and sealants and couldn't find a leak from the cylinder. He also cut numerous holes in the wall to try and identify the pipework, but the cylinder obstructed access to the shower mixer valve. The plumber suggested Mr J contact his insurer so that trace and access could be carried out to identify the source correctly.
- Mr J informed RSA of his plumber's assessment from the outset and also told the trace and access company and the loss adjuster. To be told he hadn't advised RSA of his plumber's assessment was insulting and likely to be down to poor record keeping.
- Mr J thought the photo of the cylinder labelled as showing water escaping was actually showing the significant leak dripping down from within the wall immediately behind it.
- Aside from the significant coincidence of two leaks appearing at the same time in the same area, the cylinder held a large amount of water. So, it was highly unlikely that water escaping from the underside wouldn't have amounted to something substantially worse over the many months it was supposedly leaking.
- Water was seen escaping through the wall from between the tiles 300mm above floor level, which Mr J thought proved it wasn't the cylinder that was leaking. Mr J had repeatedly pointed this out to RSA's contractors, but no-one investigated inside the wall. They simply jumped to their own incorrect assessments.
- Mr J's understanding was that it wasn't possible to repair the cylinder but, even if it was, he would have been left without any water for at least a week. The accommodation costs would have been higher, so replacing the cylinder was deemed the only option. RSA had told Mr J to repair or replace the cylinder to prevent the situation deteriorating and to avoid the insurance becoming invalid. But doing so made no difference to the situation and showed the trace and access diagnosis was wrong and that there was no second leak.
- Mr J emphasised again that he had told RSA about the checks his plumber had carried out and that his insurance would be invalidated if he didn't replace the cylinder.
- Mr J said his plumber could confirm exactly what he did before Mr J called RSA.
- Each time he contacted RSA, Mr J emphasised the extensive searches that had already been carried out. He also described a visit from a contractor who ruled out an issue with the shower sealant and said further investigations were required. Mr J didn't then hear anything further. When he followed this up with RSA, he was told no-one had visited. But RSA later found someone had visited, but didn't send Mr J the visit report. Mr J thought this was because the assessment contradicted the trace and access assessment and so RSA simply chose to ignore it.
- Mr J arranged for his own plumber to replace the cylinder because he was told he would have no cover if he didn't do so. There was no option for RSA to install the replacement.
- The main argument seemed to be centred on there possibly being two leaks. However, this was undermined by the first trace and access being proved to be wrong and that on the second trace and access visit, the contractor still failed to establish the main cause of the leak that was later found to be losing 30 litres of water per day. The contractor didn't find the source of the leak and it was the leak was only later found when a section of wall was taken out.
- The trace and access contractor was incompetent and Mr J had to replace the cylinder based on the contractor's assessment. Having replaced it, the leak continued at the same level as before. It wasn't the cause of the leak and it was an unnecessary cost to Mr J.
- Mr J's plumber had advised him that it didn't make sense that there had been two leaks, as the escape of water was intermittent and sometimes it would be saturated and at

other times dry. If the cylinder was leaking, it would have been leaking constantly, resulting in a constantly wet floor.

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.

Having done so, I uphold this complaint in part and for the reasons given in my provisional decision. As part of that, I've considered the comments from Mr J and looked again at the other evidence.

To clarify, the records showed that while the trace and access was ongoing Mr J described water seeping through wall tiles and running down the wall from about 30 cms up from the floor and that there were signs of the floor and wall being saturated up to one metre up from the floor and that it had worsened.

The records I have seen don't show that Mr J described what his plumber found, but I've no reason to doubt what Mr J said he told RSA when he reported the claim. However, even if Mr J told RSA about the plumber's investigations, he told this service his plumber "*could find no apparent leak from the cylinder*" and at that point Mr J contacted RSA to carry out trace and access. I've looked at the assessments carried out during the trace and access and these seemed to include looking at a range of sources for the leak and photos to show what was found. So, I'm not persuaded that the contractors just jumped to their own incorrect assessments, as Mr J suggested.

The contractors explained their investigations and findings. I can also see from the records that RSA was aware of Mr J's comments about where he could see water leaking from, including the height of the leak. This included an email where Mr J provided RSA with the quote for replacing the cylinder and describing the condition of the tiling, signs of water build up and that the floor under the cylinder was constantly saturated and including a photo to show this. But, I didn't see any concern expressed in the email about replacing the water tank or that Mr J was only doing this under pressure from RSA and against the advice of his own plumber. I also saw a further email from Mr J to RSA in which he was keen for a response as he wanted the work to proceed.

I'm also mindful that when Mr J had the cylinder replaced, if he only did this because of pressure from RSA and that both he and his plumber thought the assessment was wrong, he could have provided evidence to RSA at the time, including potentially showing RSA the cylinder that had been removed. But I haven't seen anything to suggest he did this. To be clear, I'm not trying to blame Mr J for what happened, I am raising these points to illustrate why I don't think I can fairly say the cylinder was only replaced due to pressure from RSA or that it was unfair for RSA to say Mr J should replace it.

There is also the issue of whether a leak later being found elsewhere showed that the trace and access assessment was wrong. I've looked again at the evidence and considered the further comments from Mr J and his plumber. I remain of the view that finding the leak in the wall didn't therefore mean there wasn't a leak from the cylinder. I've already explained my view of the trace and access assessments. I'm also aware that I haven't seen evidence Mr J raised a concern as soon as the cylinder was removed and it was only a little while later that he contacted RSA to say there was still a leak.

I've also looked at the comments Mr J passed on from his plumber, which included that the leak was intermittent and that sometimes it was wet and sometimes dry and that if the cylinder had been leaking it would have resulted in a constantly wet floor. Comparing this to

the email Mr J sent to RSA when he provided the quote for replacing the cylinder, he told RSA that it was constantly wet under the cylinder.

So, having thought about all the evidence again, I remain of the view that finding the leak in the wall didn't show that the cylinder wasn't leaking and that there was evidence to suggest that it was reasonable to assess that the cylinder was leaking.

As a result, I don't require RSA to do anything further in relation to the cylinder. But I still require it to ensure it has paid any outstanding money for the bathroom and the flooring, along with interest on those amounts. It should also ensure it has paid the £600 compensation it previously offered.

Putting things right

RSA should pay any outstanding money for the bathroom and the flooring and pay interest on those amounts. It should also ensure it has paid the £600 compensation it previously offered.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld in part. I require Royal & Sun Alliance Insurance Limited to:

- Ensure it has paid Mr J the money for the damaged bathroom units.
- Pay 8% simple interest on the amount Mr J paid to replace the damaged bathroom units from 29 July 2022 to the date on which it made or makes the payment.
- Ensure it has paid Mr J £570 for the floor under the water cylinder.
- Pay 8% simple interest on that amount from the date on which Mr J paid for the work to the date on which it made or makes the payment.
- Ensure it has paid the £600 compensation it offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 22 August 2023.

Louise O'Sullivan
Ombudsman