

The complaint

Miss P complains that Royal & Sun Alliance Insurance Limited (“RSA”) declined a claim she made under her landlord insurance policy.

Reference to RSA includes its agents and representatives.

What happened

As the circumstances of this complaint aren’t in dispute, I’ll summarise my findings.

- Miss P has had a landlord insurance policy, through an insurance broker I’ll call P, for a number of years. Prior to the April 2023 renewal, it was underwritten by A. After that, it was underwritten by RSA.
- Shortly after the renewal, Miss P found her property had failed a gas safety check as a result of damage to the boiler flue. She got in touch with RSA about it. RSA began looking into the claim, but then said as it had only insured Miss P for a number of days when the damage was found, she should get in touch with A about it.
- Miss P did so but I understand A hasn’t covered the claim. She complained to RSA about the way it had handled things. As she’d been continuously insured for many years, and first became aware of the problem whilst RSA was her insurer, she thought it should cover the claim.
- RSA said damage of this nature wasn’t covered by its policy – and the timing of it meant it was likely to have happened before it was the insurer in any case.
- Our investigator thought damage of this nature was covered – but it was likely to have happened before RSA became the underwriter, so it was entitled to decline the claim. But for the way it handled the claim, he said it should pay £100 compensation.
- RSA accepted what our investigator said. Miss P didn’t. She said RSA hadn’t established how the damage had been caused and had treated her unfairly during the claim process.

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.

- Whilst Miss P has a P branded policy, P is an insurance broker, not an underwriter. So P isn’t responsible for insurance claims. And it may move Miss P to a different underwriter when renewing the policy. If Miss P is unhappy about being moved from one underwriter to another and/or the information she received about this from P, she can take that up with P directly.

- This complaint is against RSA – so I can only consider the way RSA acted. I can't consider the actions of P and/or A.
- RSA's policy only covers damage which occurs as a result of an event which happened during the period of insurance. That is, an event which happened on or after 16 April 2023.
- In this case, the problem was discovered on 21 April 2023 during a gas safety check. The previous check was carried out around a year earlier. In a nutshell, RSA says it's more likely the damage happened in the 360 days between the earlier safety check and the policy moving to RSA, than in the five days after the policy moved to RSA. It also says malicious damage by a tenant isn't covered.
- I've seen comments from the plumber who carried out the gas safety check. They said a new boiler was needed because the flue of the old one was 'smashed' and had a 'screw drilled straight through' it. The plumber said 'this has definitely been done on purpose'. I haven't seen any other professional opinions about the damage, so I have no reason to dispute what's been said.
- The policy covers 'malicious damage by tenants' to the buildings. Given what the plumber found, I'm satisfied the damage is likely to have been malicious and caused by tenants – so if that happened on or after 16 April 2023, RSA should cover it.
- I understand the current tenants moved in around January 2023 and say they were unaware of the problem. So, on balance, it seems unlikely the damage was caused on or after 16 April 2023. It was only discovered later because it was in the loft, not subject to incoming or outgoing inventory checks, and hadn't interfered with the usual working of the boiler.
- In these circumstances, I'm satisfied it was fair for RSA to decline the claim. Whilst it was wrong to say the nature of the damage wasn't covered, I think it was right to say the timing of the damage wasn't.
- Whilst from Miss P's perspective she's been insured through the same entity for a number of years, from RSA's, it had only been the underwriter for five days when the claim was made. I'm satisfied RSA was entitled to take that into account when considering the claim.
- Nonetheless, RSA has accepted it could have handled the claim better, including being clear that malicious damage by tenants is covered. It's agreed to pay £100 compensation for that. I'm satisfied that's a reasonable remedy.
- Miss P is entitled to take up A's decision to decline the claim directly with A if she wishes.

My final decision

I uphold this complaint.

I require Royal & Sun Alliance Insurance Limited to pay £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 27 December 2023.

James Neville
Ombudsman