

## **The complaint**

Ms C complains about Royal & Sun Alliance Insurance Limited ("RSA") and the service they've provided since she made a claim on the motor insurance policy they provided.

## **What happened**

The claim and complaint circumstances are well known to both parties, so I don't intend to list them chronologically in detail. But to summarise, in December 2022, Ms C's car was damaged when the fire brigade were required to break into it. So, she contacted RSA to make a claim on the insurance policy they provided to repair this damage.

Ms C was given a hire car the following day. But there were delays in her damaged car being collected, and then repaired. And as the damage meant Ms C's car wasn't airtight, mould appeared in the car. In the summer of 2022, Ms C's car was returned to her by the repairer, who I'll refer to as "R". But Ms C was unhappy with the quality of the repairs, and that the mould was still present. So, she raised a complaint.

Ms C raised several concerns which included, and are not limited to, the length of time the repairs had taken and the fact these hadn't been completed fully, or appropriately. And Ms C was unhappy her car had been given back to her with mould present, which she felt placed her son at risk. So, Ms C explained she had agreed with the car scheme provider, who I'll refer to as "M", to cancel the lease she had on the car. And she wanted RSA to provide her a hire car for the time it took for a new car to be received, as well any PIP allowance she was entitled to that was going towards her lease with M from December 2022, up to the date her new car was received, to be backdated and forwarded.

RSA responded to the complaint in August 2023, upholding it. They accepted there had been delays and issues found during the repair process. And they noted Ms C had agreed with M to terminate the lease on the damaged car, explaining they would work with M directly to ensure the car was cleaned and the mould removed. So, to recognise Ms C's concerns, and the inconvenience and distress she suffered, RSA paid Ms C a compensatory payment of £750. But Ms C remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and didn't uphold it. They recognised it wasn't in dispute that RSA had failed to progress Ms C's claim fairly, and that there were issues with the repairs completed by R. But our investigator explained why our service wouldn't expect RSA to backdate, or forward, her allowance for the car related to the scheme provided by M. And they explained any issues regarding M's offer to terminate the lease, and any charges this would incur, would be an issue to raise with M, and not RSA. So, considering the above and the fact Ms C remained with a hire car, they thought the £750 RSA paid was a reasonable one and so, they didn't think RSA needed to do anything more.

Ms C didn't agree, provided several comments and additional information explaining why. These included, and are not limited to, her continued belief that it was unreasonable to expect her to take the car back with mould, considering the danger she felt it presented to her son. So, she maintained that RSA should cover the cost of keeping her in a hire car

while she terminated her outstanding lease and received a new car on a new lease entirely. Our investigators view remained unchanged and Ms C continued to disagree. So, the complaint has been passed to me for a decision.

### **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'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Ms C. From what I've seen, I think it's accepted by both parties that RSA failed to manage the repair process fairly and appropriately. And, that when Ms C's car was returned back to her, it was returned with damage that should've been repaired, and mould that had grown because of the delays during the collection and repair process. I don't doubt the frustration and annoyance this would've caused. Nor do I doubt the inconvenience to Ms C, who would've needed to continue to engage with RSA, and the car scheme provider M, to try and facilitate an arrangement she was happy with.

But for me to say RSA should do something more than they have already, I'd need to be satisfied that the £750 compensation they put forward failed to adequately compensate Ms C for the above, considering what RSA were responsible for and the information they had available to them at the time they issued the complaint response. And in this situation, I don't think that's the case, and I'll explain why.

But before I explain why I've reached this decision, I think it's important in this situation to explain clearly exactly what I've been able to consider, and how. I recognise from Ms C's testimony that the claim appears to be ongoing. And so, I can understand why she wants the entire claim process, and any events that have happened during this, to be considered. But before our service can investigate a complaint, the rules we work with, set by the industry regulator, stipulate that a business such as RSA must be given an opportunity to consider any issues within their own complaint handling process first.

So, because of this, I'm only able to consider the events that occurred before and including the date of RSA's final response, which was issued on 13 August 2023. So, this is what my decision will focus on. Should Ms C wish for events after this date to be considered, she will need to raise these issues with RSA first, allowing them up to eight weeks to issue a new response.

And I note some of Ms C's concerns relate to the involvement of M, and her agreement with them on the terms of cancelling her lease agreement. I want to make it clear that M are a separate business, regulated separately.

So, any concerns Ms C has regarding her lease, any potential termination of this lease, what financial impact there may be because of this and any wait time for a new car to be provided on a new lease would be the responsibility of M and would need to be considered separately to Ms C's concerns about RSA, and the handling of her insurance claim.

As I've already stated above, I don't think it's disputed by RSA that the way they handled Ms

C's claim, and the repairs R completed, fell below the standard they, and our service, would expect. So, as this isn't disputed, I don't intend to discuss the merits of these in any further detail.

Instead, I've focused on the point that I think does remain in dispute, which centres around what RSA should do to put things right. And when considering this, I've had to think about the evidence and information available to RSA at the time of their response to Ms C's complaint. I'm making this point clear, as I'm aware information has come to light that changed Ms C's position after this date.

I think it's clear there were avoidable delays during the claim process, ranging from the collection of Ms C's car to repairs being completed by R. And from the evidence I've seen, I think it's reasonably clear there was damage to Ms C's car door that hadn't been repaired, as R themselves confirmed the only work they had completed was to replace the glass in the window. I also think it's accepted that the delays RSA caused led to the mould growth in Ms C's car, as her car was left without an appropriate repair which meant it wasn't airtight as it should've been for an extended period of time.

And during this process, I've seen Ms C has had to engage with RSA proactively, chasing them for updates. And her unhappiness with the car led to her communicating with M about a termination. While this was Ms C's own choice to do so, I don't think she is likely to have done this, had her car been repaired correctly in the first place.

I think it's clear all of the above would've been distressing and inconvenient for Ms C. And considering she received a car back with mould when she used it to transport her son, I can understand her unwillingness to use this car with the condition it was in. So, I do think she should be compensated accordingly.

But crucially, Ms C was provided with a hire car for the entire period of the claim I can consider. So, I do think this lessens the impact to Ms C, as she remained mobile. And as Ms C was provided with this hire car due to the policy she held, which was linked to the scheme she leased the car through, I don't think it would be reasonable for me to say the PIP allowance used to pay towards this scheme should be backdated or refunded as if I was to say this, this would mean Ms C was driving a car for a period of time at no cost to her, which would place her in a position of betterment. While I do appreciate the frustration she would feel at not being able to drive her car, which is what she wanted to do, she did have a car she was able to drive, nonetheless.

Nor would I say that RSA should forward any allowance Ms C would've used towards the lease if she chose to take out a new lease, terminating her current lease, to receive a new car. This is because any termination of her current lease would be her own decision to make, and it isn't the role of her insurance policy to cover the costs this incurs, or the loss of allowance she would've received.

I appreciate Ms C doesn't agree with this. And she's explained why she feels it's unreasonable for RSA to expect her to take her current car back, considering the mould growth, even if it is cleaned as she doesn't think the mould can ever be removed and that this presents a health risk to her son.

But crucially, at the time RSA issued their response, they were led to believe Ms C wasn't taking the car back and it was instead going to be returned to M due to a termination agreement with Ms C. And even if this wasn't the case, I do think RSA should be given the chance to clean the car to remove the mould. I've seen RSA's intention to engage the services of a specialist to complete this work, and I've seen no evidence to suggest this work wouldn't remove the mould or leave Ms C's son at risk. Should Ms C feel she has expert

evidence that disputes this, I'd expect this to be provided to RSA for them to consider appropriately.

And as I've already set out above, I won't be commenting on what has happened since the final response and so, why the cleaning hasn't been carried out since, if it still remains outstanding. And the same stands for any additional repairs that need to be undertaken.

So, having considered all of the above, I think the £750 offered by RSA is a fair one, to recognise theirs and R's failings up to August 2023. It is my understanding this payment has been made but if it hasn't, I would expect RSA to ensure it is paid following this decision.

I understand this isn't the outcome Ms C was hoping for. And I appreciate it doesn't provide Ms C with what she ideally wants, which is for RSA to provide her a hire car for the entire period of time she would be without a car, if she cancelled her current lease with M and ordered a new car. But I've seen nothing to suggest RSA's failures mean Ms C requires a new car, and a new lease, altogether. So, should Ms C choose to do this, I don't think RSA should be required to cover Ms C's transport costs during this time. It is up to Ms C to agree any termination terms with M, and this would include any replacement car during this time, should this be something M would be willing to consider.

### **My final decision**

For the reasons outlined above, I don't uphold Ms C's complaint about Royal & Sun Alliance Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 4 March 2024.

Josh Haskey  
**Ombudsman**