

## **The complaint**

Mr J complains about the way Royal & Sun Alliance Insurance Limited (“RSA”) handled a claim under a home insurance policy.

Reference to RSA includes the actions of its agents.

## **What happened**

The details of this complaint are known to all parties, so I won’t repeat them in detail here. Instead, I’ll summarise my understanding and focus on giving the reasons for my decision.

Mr J returned home in February 2023. He found the Aga Range Cooker (“Aga”) light in the kitchen was out, a fuel-like odour was present, and sooty residue in several areas. He raised a claim to RSA for damage to the buildings via a broker a week later, and a separate claim for contents with another provider.

RSA appointed a loss adjuster. They visited several weeks later with a contractor and someone suitably qualified to assess the claim from a company I’ll refer to as “O”. Following visits and inspections, RSA concluded, broadly, the odour and resultant damage was the result of the combustion of fuel within the Aga.

Mr J had samples of the fuel carried out in the meantime and says this showed the fuel he’d purchased and put into the system previously was contaminated. Mr J suspected this to be the cause of the problem. He also tested the fuel line under the kitchen floor for several hours and says this showed a drop in pressure – suggesting a leak on the line was present. RSA, however, didn’t agree this was the cause of damage following tests, nor that a leak was present.

Mr J excavated the fuel line as he says despite RSA’s conclusions on the proximate cause, the odour remained. It cost Mr J roughly £700 to access and replace the line. RSA didn’t agree to cover these costs under the policy as it was satisfied the proximate cause of the odour was established to be due to something else and this wasn’t a contributing factor.

It also said while the fuel line may have been porous, it considered this to be due to wear and tear and wouldn’t be covered as part of the claim in any case.

Mr J told RSA he wasn’t happy with the way it handled the claim. He says it was slow to move things forward, nothing happened for weeks, and he was left effectively managing a complex claim by himself. He had to chase RSA constantly for action, and payments, amongst other things. All the while his property was deteriorating.

Mr J did move into hotel accommodation but says he faced problems with this. It was initially offered, then refused, and the options provided to him were some distance away. Mr J also says RSA stopped paying for alternative accommodation even though his home had no furniture, and RSA pointed him to his contents insurer to pick up the remaining requirement for this.

Mr J also told RSA about other issues he faced and poor service. For example, waste was left on his property for a considerable time, and he'd had to lend tools to RSA's agent because they turned up ill-equipped. As he wasn't happy with how things were handled, he complained.

RSA acknowledged it caused delays, but also said things outside its control contributed too – such as contractor lead times. It offered to pay Mr J £300 compensation. Mr J didn't think this was a fair resolution, so he approached our Service.

The Investigator recommended the complaint be upheld in part. While he was more persuaded RSA reached a reasonable conclusion on the cause of the odour and damage, he thought it failed to provide Mr J with an appropriate level of customer service at times. So, he recommended it paid Mr J a further £350 compensation to recognise the impact its service failings had on him.

RSA agreed, but Mr J didn't. He was dissatisfied with the compensation amount given how poorly RSA handled things. He's in his 70's, lives alone, and was left to manage a complex claim. He also says he's shown the fuel line was leaking and RSA should cover this as part of the claim. He's concerned RSA didn't properly deal with the problem, and it could return in future.

As an agreement couldn't be reached, the complaint was passed to me to decide.

### **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.

Both parties have provided extensive submissions in this complaint. Given the informal nature of our Service, in this decision, I haven't commented on each individual complaint point raised. Rather, I've focused on what I consider to be the pertinent points, and the reasons for my decision.

#### *The claim and cause of the odour and resultant damage*

It's fair to say the claim didn't go smoothly. I say this because Mr J was faced with problems from the outset. It took RSA several weeks to appoint a loss adjuster to assess a claim that involved a combustion of fuel – causing an odour and a sooty residue inside Mr J's home. Mr J decided to get on with some works that needed to happen to get things moving and it took RSA far too long to reimburse his costs.

The loss adjuster visit took place towards the end of March 2023. Their report says they were accompanied by a contractor and a specialist from O. I'm satisfied agents from O were appropriately placed to assess this sort of claim given their experience and expertise having reviewed the type of work O is involved in.

The purpose of the visit was ultimately to validate the claim and establish the proximate cause of the odour and damage. The initial findings set out, broadly, that the odour present wasn't the result of a leaking fuel line. Rather, it was the combustion of fuel within the Aga that emitted soot/vapour.

I find this conclusion is supported by Mr J's own evidence. As mentioned above, around March 2023, he'd arranged for samples of the fuel in the system to be tested which he says confirmed it was contaminated.

He also carried out pressure tests on the fuel line over several hours which he says showed a drop in pressure, which may have also suggested a leak. But RSA's agents carried out pressure tests too. And it was concluded, broadly, that following the line being observed and assessed, there was no evidence to suggest a loss of fuel.

RSA also pointed to further comments made in relation to the fuel line, which said:

*[Agents of O] also completed a PID [Photo-Ionisation Detection] survey to test for the presence of VOC [Volatile Organic Compounds] along the fuel line and across within the ambient air of the downstairs rooms of the property. All VOC's were recorded below method detection limits along the fuel line as per our previous site visit on Thursday 1<sup>st</sup> June 2023. However, we did record two elevated point sources at either end of the fuel line where the line had been capped by [Mr J's] engineer to enable the pressure test he completed on Monday. It is believed that the engineer has lost a small amount of kerosene when capping the line as these point sources were not recorded previously last week.*

*Based on the information we had collected; [O] do not deem that a loss of fuel has occurred from the fuel transfer line contributing to the odour within the property. It is believed that the combustion of the fuel within the aga has caused soot/vapour that has impacted the property.'*

I acknowledge Mr J says RSA's agents witnessed a drop in pressure and staining around the fuel line. But I'm satisfied their findings are conclusive here that the main cause of the odour and resultant damage wasn't from a leaking fuel line.

I also acknowledge Mr J's comments regarding the length of time in which RSA's agents carried out pressure tests. Mr J carried out tests over a longer period than RSA's agents. But RSA here say the tests carried out by its agents were in line with industry standards.

Further, I've also seen the Investigator contacted the relevant trade association. It was said that best practice for testing domestic underground fuel lines is to test at one bar for 30 minutes. That's what RSA's agents did here. So, based on the information available to me, I'm not persuaded RSA's agents failed to carry out adequate tests.

Mr J excavated an area in the kitchen to access the fuel line. The invoice he provided says, broadly, that the engineer opened the floor trench to expose a leaking oil line to replace it. RSA accept the oil line may have been porous, but this wasn't a contributing factor to the claim / lingering odour based on the opinion of experts. It also says any failure of the line would be considered as wear and tear.

All things considered, I think RSA took reasonable steps here to assess the proximate cause of the lingering odour and resultant claim-related damage. While the fuel line may have been porous, I'm not satisfied – based on the evidence, that this contributed to the claim Mr J reported. So, I won't be requiring RSA to cover the costs Mr J incurred in replacing the fuel line as part of this specific claim. I think it would be reasonable for RSA to consider a new claim should Mr J wish to raise one.

#### *Customer service and claim handling*

This claim was complex in nature. I say this because it required input from several parties to validate and settle it. And while I do acknowledge some issues were outside RSA's control – for example, contractor lead times, I do think things within its control – for example, communication, making payments, and helping Mr J with alternative accommodation, amongst other things, were handled poorly at times.

Alternative accommodation I think was handled poorly. While RSA say Mr J initially decided against moving out of his home, it seems this was because, largely, he didn't anticipate it would take RSA several weeks to send a loss adjuster to his home.

I've also kept in mind when he did contact RSA asking to be moved, it refused this saying his home wasn't uninhabitable. That wasn't reasonable. RSA ought to have given more thought to the circumstances reported by Mr J and the potential risks involved.

I've also reviewed the vast amounts of correspondence between Mr J and RSA (including its agents). Mr J frequently had to chase for updates, for things to happen, and frustratingly, for payments to be made to him. There were other issues that would have only added to what was already a very frustrating and difficult time for Mr J.

For example, waste was left on his property for several weeks, and agents from RSA had turned up to his home without the appropriate tools to carry out what was required. Mr J had to lend the agent tools, so I understand why Mr J found this unprofessional, and says he lost faith in them.

I think it's important to say that with any insurance claim, it's expected a policyholder will naturally experience a level of distress and inconvenience. Here – Mr J returned home from holiday to find a lingering fuel-like odour smell with sooty deposits affecting several parts of his home.

But it's also fair for a policyholder to expect an appropriate level of customer service at the outset once a claim has been raised, and throughout the journey. That didn't happen here at times, and I think RSA caused Mr J to experience further distress and inconvenience – over and above what's naturally expected following a claim. Therefore, I also think further compensation is due here.

All things considered, I find £650 compensation in total to be fair, reasonable, and proportionate here. As mentioned above, RSA were responsible for providing Mr J with a smooth claims journey and an appropriate level of customer service. It failed to do this at times which caused Mr J to experience delays, considerable frustration and disruption, and inconvenience over several months.

Therefore, it follows, I'm directing RSA to pay Mr J a further £350 compensation, bringing the total compensation paid to him to £650.

### **Putting things right**

I'm satisfied RSA reached a fair and reasonable outcome on the cause of the odour and damage based on the information available to it. But it should have handled matters much better at times, and with a higher level of customer service.

So, to recognise the poor service provided to Mr J and the impact this had on him, it must now pay him a further £350 compensation for the distress and inconvenience caused.

### **My final decision**

For the reasons I've mentioned above, I've decided to uphold this complaint. I now require Royal & Sun Alliance Insurance Limited to settle this complaint in line with my instructions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 15 April 2024.

Liam Hickey  
**Ombudsman**