

## **The complaint**

Mr and Mrs M are unhappy that Royal & Sun Alliance Insurance Limited (RSA) delayed progressing their claim.

Mr and Mrs M had home insurance, including home emergency cover, in joint names. Because he brought the complaint, for ease of reading I'll refer just to Mr M throughout my decision.

## **What happened**

The background to this complaint is well-known to both parties. So, I've set out a summary of what I think are the key events.

Mr M made a claim under his policy for an escape of water. The claim was referred to the underwriters because RSA didn't think Mr M had declared all of his previous claims when he renewed his policy. RSA told him what was available under the home emergency element of the policy so he could restore water to his home while it looked at whether it would accept his claim.

Mr M wasn't happy with RSA's actions because he'd declared the previous claims. He said RSA should've confirmed the claims history at policy renewal rather than waiting for him to make a claim and causing delays. So, he complained.

On investigating the policy history, RSA agreed Mr M had reported all previous claims. It accepted his claim for the escape of water.

In response to Mr M's complaint, RSA offered £75 compensation for its mistake and the resulting delay. Mr M thought £200 would be more appropriate, so he brought his complaint to us.

One of our investigators looked into the complaint and agreed that £75 wasn't enough in the circumstances. He thought RSA should pay a total of £150 compensation for the avoidable delays and inconvenience caused by its mistake.

RSA accepted, but Mr M didn't think it was enough. He'd seen the records RSA held and believed it'd been looking into his claim as a possible fraud. Mr M said the distress caused by a fraud investigation, which he believed could've resulted in a ten-year prison sentence, warranted considerably more compensation - at least £750.

So, 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.

Having done so, I've decided to uphold Mr M's complaint, but I won't be asking RSA to do any more than our investigator recommended. I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. My role is to look at the available evidence, taking into consideration the regulator's rules and relevant law and decide whether RSA handled Mr M's claim fairly in the circumstances.

The claim itself is not in dispute. And both parties agree that RSA failed to properly record Mr M's declared claims, resulting in avoidable delays handling his claim. The matter for me to decide, then, is whether RSA made a fair and reasonable compensation offer by way of apology.

The claim notes and correspondence show that RSA accepted Mr M's claim within six days of him first contacting it about the escape of water. The evidence shows that its contractors tried to contact Mr M over the next ten days, leaving messages offering appointments, but it didn't hear anything back to begin with. An appointment was eventually arranged for around three weeks after Mr M first reported the leak.

Based on the evidence, I can't reasonably conclude that RSA caused all of the delay. However, it's not disputed that RSA's failure to record Mr M's claims history correctly caused the first six days of delay. There was a further delay of under a week before RSA's contractors tried to contact Mr M to arrange an appointment. But after that, I'm satisfied that the delay was due to its inability to arrange an appointment directly with Mr M.

Mr M said RSA caused an unacceptable delay restoring the water supply to his home. I can't agree that RSA was wholly responsible. The evidence shows that RSA told Mr M he could arrange for the leak to be traced and fixed, and it said he could look into alternative accommodation in line with the policy. While RSA wouldn't immediately confirm cover under the policy, it advised Mr M to keep receipts for reimbursement once the policy reengaged.

I realise that Mr M couldn't be sure RSA would settle the claim. But he would always have needed to repair the leak, regardless of whether there was cover under his policy. And RSA provided contact details for a number of companies to do the work. So, I can't fairly say RSA was responsible for the delay in restoring the water supply.

Mr M described the impact on him and Mrs M of RSA's fraud allegation. RSA issued its final response to Mr M in October 2023, and he brought his complaint to this service a few days later. I can only look at the complaint Mr M made to RSA up to the date of its final response. He didn't raise a complaint with RSA about a fraud allegation, so it's not within my remit to consider that part of his complaint now.

Overall, I'm satisfied that the evidence shows RSA didn't handle Mr M's claim as well as he could've expected due to its failure to record his claims history correctly. And I find that RSA caused some delays early in the process. But I don't find that RSA was responsible for the delay restoring the water supply.

RSA offered £75 compensation. If the compensation was just in recognition of the short delays, I might've considered that enough. But I'm satisfied that an increase to £150 compensation is fair and reasonable, and in line with awards we'd make in similar circumstances. Therefore, I uphold Mr M's complaint.

To be clear, the compensation is not in recognition of any distress Mr M may have felt in respect of his belief that RSA was carrying out a fraud investigation.

### **My final decision**

For the reasons I've given, my final decision is that I uphold Mr and Mrs M's complaint and

Royal & Sun Alliance Insurance Limited must:

- Pay them £150 compensation by way of apology for the minor delays caused by its failure to correctly record their claims history.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 9 May 2024.

Debra Vaughan  
**Ombudsman**