

## **The complaint**

Mr and Mrs B have complained about the way Royal & Sun Alliance Insurance Limited handled a claim they made under their home insurance policy for subsidence.

Reference to RSA includes its agents and representatives. And as Mrs B has primarily dealt with things, I'll refer to her, on behalf of Mr and Mrs B, for ease of reading.

## **What happened**

The circumstances of this complaint aren't in dispute, so I'll summarise the main points:

- Mrs B got in touch with RSA in July 2022 about damage to her conservatory.
- RSA arranged for investigations into the problem. It found the damage had been caused by subsidence due to nearby trees owned by third parties. It accepted the claim under the policy and by March 2023, all the trees were removed. RSA then began preparing a schedule of work to put right the conservatory damage.
- In June 2023, Mrs B complained. In summary, she was unhappy with the way the claim had been handled, but particularly the lack of progress with repairs since the trees were removed. She noted she worked from home and said she'd been unable to earn as much as she would usually do as a result of the damage.
- Soon after, RSA set out its proposed schedule of work. Agreement was reached to begin that work in September. However, those plans were later cancelled by RSA.
- RSA provided its complaint response in October 2023. It said the length of the claim was mostly due to the normal processes of a subsidence claim. And it had communicated with Mrs B throughout the claim. However, there had been a breakdown in communications which made the position untenable, so the builder withdrew their services and RSA would settle the claim by cash payment. It offered a total of £370 compensation for the way it had handled the claim and said the policy wouldn't cover any loss of earnings Mrs B had suffered.
- Our investigator reviewed matter up to and including RSA's complaint response in October 2023. She didn't ask RSA to do anything differently.
- Mrs B didn't think this was a fair outcome and asked for her complaint to be referred to an Ombudsman. Amongst other things, she said she wasn't claiming for any loss of earnings – she'd made that point to highlight the impact of the delay on her and to explain why she was particularly eager for repairs to be completed promptly. And she reiterated her concerns about the way the claim had been handled.
- The claim continued. In June 2024, RSA and Mrs B agreed to settle the claim by cash payment.

## **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.

- As our investigator has explained, the scope of this complaint is limited to events up to and including RSA's complaint response in October 2023. Mrs B is entitled to raise a new complaint about matters since that time if she wishes.
- I understand Mrs B's complaint is, in part, about RSA's agents and representatives. RSA is responsible for those companies, which is why the complaint has been considered against RSA. But, in practice, the actions of all RSA's agents and representatives will be considered together within this complaint against RSA.
- When Mrs B referred her complaint to this Service, she was concerned about how the claim would be settled. Since then, the claim has been settled amicably, so I won't need to make a finding about how the claim should be settled. My focus will be on how RSA handled the claim, including the time taken and communication.
- A subsidence claim will inevitably cause a policyholder a degree of distress and inconvenience. They have to live with the damage to their property, and it will rightly take time to identify the cause of the subsidence movement and take steps to stop that movement. And here, Mrs B's ability to work from home was also impacted. This is unfortunately the nature of subsidence and not something I can hold against RSA.
- However, where the way RSA has handled the claim has avoidably increased that distress and inconvenience, I will hold RSA responsible and require it to pay a fair and reasonable amount of compensation for the additional problems caused. RSA has accepted it's responsible for some avoidable delays and poor communication. It offered a total of £370 compensation for this. I'll consider what happened – and whether that sum is a fair and reasonable response in the circumstances.
- RSA is required to handle claims promptly and fairly. There are no specific timeframes for claims or communication that RSA must adhere to, but it's required to act fairly and reasonably at all times.
- I note RSA has said it's common for responses to take up to 7 working days and for information reviews to take up to 6 weeks. There may be some situations in which this is fair and reasonable – for example, to carry out, report, and review a full site investigation. But, generally, I'm not satisfied these are fair and reasonable timescales. It's a very long time to expect a policyholder to wait to hear an update, especially in the context of structural damage to their home. And it was such gaps in communication during the claim that caused Mrs B distress which could have been avoided with more reasonable response times.
- It's clear RSA's communication wasn't always as clear and responsive as I'd expect. There's evidence of emails and calls not being responded to promptly. There also seems to have been a number of different staff members at different companies involved, and that led to some confusion, particularly after March 2023, about how to progress and settle the claim.
- I think the initial investigations were carried out reasonably promptly. RSA was able to set out the overall action plan for the claim in September 2022. It anticipated removing the trees by June 2023 and starting repairs by October 2023. I'm satisfied

that plan was in line with usual timescales for a claim of this nature and gave Mrs B a reasonable expectation of how long it would likely take.

- After that, RSA went on to take arborist advice to support tree removal and then got in touch with the third party tree owners. I note some of those owners didn't live at the same address as the trees were located, so it took a little longer to reach them. Nonetheless, RSA traced each owner, got in contact with them, and by March 2023, all trees were removed. Whilst that may have felt like a long time to Mrs B, in my experience, it was a relatively short period of time to have this many different third parties remove trees – which is reflected by reaching this stage ahead of the action plan. I note Mrs B played an active role in helping to achieve this and I expect that kept the timescale to a minimum. It's quite common for policyholders to be involved in this way when nearby trees need to be removed.
- However, after March 2023, the claim didn't progress as well. The usual next steps would have been for RSA to prepare a schedule of work, agree that with all parties, and then arrange for a builder to carry out the work or settle the claim by cash payment. But it took until early June 2023 for these steps to begin – around three months later. That caused an avoidable delay – and RSA's communication was often absent or unclear, so Mrs B didn't know what was happening or what to expect.
- The schedule was prepared by July 2023 and an agreement reached to begin work in September 2023. But the day before work was about to start, RSA said the builder had withdrawn their services and another builder wouldn't be appointed. After waiting over a year for work to begin, I think Mrs B would have been very disappointed, frustrated and distressed to find it wasn't going ahead – and with such little notice.
- Little evidence has been provided to explain why the builder withdrew – or why RSA was unable or unwilling to appoint another builder. But as RSA and Mrs B have gone on to settle the claim by cash payment, all that remains for me to consider is the avoidable distress and inconvenience RSA caused – up to October 2023.
- Overall, I'm not satisfied RSA handled the claim promptly and fairly at all times – particularly after March 2023. It's clear that caused Mrs B avoidable distress and inconvenience. So I think it was right for RSA to pay her compensation. I'm persuaded that £370 is a reasonable amount in the circumstances and within the scope of this complaint.
- It seems Mrs B isn't seeking to claim for any loss of earnings she may have experienced. So I haven't gone on to consider this point.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 10 September 2024.

James Neville  
**Ombudsman**