

The complaint

Mr M and Mrs M complain Royal and Sun Alliance Insurance Limited (RSA) unfairly declined to settle their claim on their home insurance policy.

References to Mr M or Mrs M, will include the other.

There are several parties and representatives of RSA involved throughout the complaint but for the purposes of this complaint I'm only going to refer to RSA.

What happened

In February 2023 Mr M made a claim on his home buildings insurance policy when he noticed the flooring to his ground floor wet room and adjacent lounge wall was damaged by water.

RSA appointed its approved loss adjuster to attend Mr M's home inspect the damage. After the inspection the loss adjuster concluded the damage had been caused by the wet room not being installed correctly. It declined to settle his claim as the policy excluded damage relating to faulty workmanship, as well as gradually operating damage.

Mr M said RSA's loss adjuster told him the damage found was due to bad workmanship, but he said he was not told that his claim had been declined until he followed up with RSA a few weeks later.

In July 2023 RSA confirmed its decision to decline to settle Mr M's claim.

Because Mr M was not happy with RSA, he brought the complaint to our service.

Our investigator did not uphold the complaint. They looked into the case and said RSA had fairly declined the claim in line with the policy terms and conditions around wear and tear. They said this was due to the damage gradually happening over time.

As Mr M is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

Claim

I looked at the report completed by RSA's loss adjuster when the inspection of the reported damage took place. The report included images of the damage to the wet room and lounge wall. It concluded this was a workmanship issue and the damage had happened over a period of time. It also said the damage would have been present prior to the start of the insurance policy.

RSA said it declined Mr M's claim because his policy specifically excluded damage relating to faulty workmanship, as well as gradually operating damage.

Because Mr M did not accept there was faulty workmanship to the wet room he contacted the builder who had installed it. The builder disagreed and said it had been inspected by two separate experts at the time of installation in 2013. Mr M also spent time and effort trying to locate the building inspector who signed off the work as acceptable when the wet room was installed. Unfortunately due to the installation being approximately ten years ago this wasn't possible.

I saw that RSA considered the information from the builder who had installed it and reviewed the loss adjuster's report again. It maintained its decision to decline the claim and said that the way in which the wet room had been fitted caused water to not go down the drain but to go into a gap by the wall.

I looked at the terms and conditions of Mr M's policy it details exceptions to claims. It says;
"13. Wear and Tear

Loss or damage caused by wear and tear or anything which happens gradually or rot (unless caused directly by an escape of water incident specifically covered by this policy.)

14. General Exceptions

Any loss, damage or liability caused by or arising from:

- an incident that does not arise from one identifiable event*
- your home undergoing demolition, structural alteration or structural repair;*
- your home being used for illegal activities;*
- lack of maintenance;*
- restoration, dismantling, renovation, breakdown or repair;*
- faulty design or workmanship or the use of faulty materials;*
- any process of cleaning, drying, dyeing, heating or washing;"*

In addition RSA added there were noticeable signs of wear and tear in the seals, which may have allowed water to seep behind the wall and the policy. It said it did not cover for inadequate seals that were meant to keep water from penetrating a joint.

I saw, in reference to water escape, the policy says it does not cover for;
"Loss or damage caused by the inadequacy or absence of appropriate sealant or grout".

This confirms that faulty workmanship, damage caused by wear and tear and inadequate sealant are all excluded from cover.

I have not seen any evidence of a one-off incident occurrence causing the damage. The damage reported and that is visible in the images appears to have been caused over a period of time.

Although I understand Mr M will be very disappointed I think RSA fairly declined to settle his claim in line with the terms and conditions of his policy, due to the damage happening gradually over a period of time, of which some of this period of time will have been before he started his insurance policy with RSA.

Delay in declining the claim

RSA's loss adjuster said it told Mr M that his claim was declined at the end of the inspection. Mr M acknowledged the loss adjuster said the damage was poor workmanship, but he had understood cover was to be checked with RSA, so he was expecting a further update from RSA.

The loss adjuster's report said the claim was to be declined and it confirmed Mr M had understood this on the date of the inspection. I also saw a copy of a letter from the loss adjuster to Mr M confirming his claim had been declined. However I saw no evidence that this was ever sent to him.

Mr M said he was not clear about what was happening with his claim after the loss adjuster had completed the inspection. I understand it must have been frustrating for him to be waiting for RSA to give an update on the status of his claim and to then find out it had been declined on the date of inspection.

I saw RSA apologised for any confusion and that he had needed to chase its claims team to obtain this information. However because the delay in clarification did not change the situation of the claim being declined, I think RSA's apology was appropriate in the circumstances.

I understand Mrs M has mobility issues and needs access to the wet room, so I know they will be disappointed with my decision, however based on the evidence I have reviewed I do not uphold his complaint and I do not require RSA to do anything further in this case.

My final decision

For the reasons I have given I do not uphold this complaint.

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 8 May 2024.

Sally-Ann Harding
Ombudsman