

The complaint

Mr and Mrs P are unhappy with Royal & Sun Alliance Insurance Limited's (RSA) handling of a claim for subsidence damage at their home.

What happened

Mr and Mrs P purchased a property in December 2021. A subsidence claim had already been made to RSA by the previous owner of the property. Upon purchase of the property by Mr and Mrs P, the benefit under the insurance policy and claim was transferred to them, and they also took their own policy with RSA for continuation of insurance cover.

However, Mr and Mrs P are unhappy that there has been little progress on the subsidence claim, and the cracking at the property has become worse. Mr and Mrs P complained to RSA about this, and that RSA (and their agents) had initially refused to speak to Mr and Mrs P about the claim.

Mr and Mrs P asked the Financial Ombudsman Service to look into their complaint.

One of our investigators looked into things and upheld the complaint. She said she could only consider what had happened since Mr and Mrs P purchased the property and became beneficiaries under the policy and claim in December 2021. And she said her consideration would be from December 2021 to November 2023 which was the point which RSA had eight weeks to look into Mr and Mrs P's complaint raised in September 2023.

The investigator said RSA had provided very little information about what had happened in this time period, but Mr and Mrs P had provided information about the contact they'd made with RSA (and their appointed agents) about the claim. She said that based on what she'd seen, there had been no progress on the claim in two years, and damage had worsened during this time which had been of considerable concern, distress and inconvenience to Mr and Mrs P.

So, the investigator recommended RSA should visit Mr and Mrs P's property to further investigate the ongoing subsidence and provide an action plan for the next steps in the claim. She also said Mr and Mrs P should be paid £2,000 compensation.

RSA responded to the investigator's findings and recommendations. They said that a final response had been issued on 14 March 2023 which addressed what had happened before then, and Mr and Mrs P hadn't approached this service within six months of that final response letter. So, RSA said that anything that occurred pre-14 March 2023 was time-barred and outside our jurisdiction. RSA said the timescale for consideration by the investigator should instead be for anything that occurred post 14 March 2023 up to November 2023 when a final response should have been issued to Mr and Mrs P's complaint raised in September 2023.

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

I wrote to both parties and explained that I'd considered the jurisdiction challenge that RSA had raised – that part of the time period our investigator considered was outside our jurisdiction. And I explained that I'd decided that the period our investigator considered was within our jurisdiction.

In summary, this was because I wasn't satisfied that RSA had issued a final response to Mr and Mrs P's complaint in March 2023. Instead, it was addressed to the former homeowner and policyholder, and the compensation was payable to them. Mr and Mrs P said they hadn't received or seen this, and I said that was understandable given it was addressed to the previous homeowner. The final response also referred to events prior to Mr and Mrs P becoming owners of the property too.

So, I said that as I wasn't satisfied RSA had issued a final response to Mr and Mrs P or their complaint, I didn't agree it would then be time barred on the basis they approached this service too late.

Therefore, I confirmed that I would be considering from December 2021 to November 2023 when reaching my final decision, which was the same time period our investigator considered. And that's what I've done here in my final 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.

Mr and Mrs P purchased the property in question and became beneficiaries under the policy and claim in December 2021. I can't consider anything that happened before this point when Mr and Mrs P weren't the owners of the property, as the impact wouldn't have been to them. So, I'm considering from December 2021 to November 2023 which is the point in which RSA had already had eight weeks to consider Mr and Mrs P's complaint raised in September 2023.

As explained to Mr and Mrs P, if they are unhappy with anything that has happened (or hasn't happened) after November 2023, they'd need to raise this with RSA as a new complaint in the first instance, before referring that complaint to our service if they remained unhappy, subject to our usual rules and timescales.

RSA has provided very little information about what has happened in the time period I'm considering here. In contrast, Mr and Mrs P have provided detailed information about what they say occurred, and detail of the amount of contact they made with RSA and their appointed agents during this time to try and move their claim forward. Mr and Mrs P's testimony in itself is evidence, and I'm persuaded by what they say in the absence of evidence from RSA to show otherwise.

During this near two-year period, it appears there has been little to no progress on the claim. Mr and Mrs P chased this multiple times with both RSA and their appointed agents. And it appears that at points, RSA refused to speak to Mr and Mrs P about the claim, as the policy hadn't been correctly noted that they were the owners of the property and had taken over the claim and policy as beneficiaries. This is reflected in RSA's claim notes which shows they later recognised that this hadn't been correctly updated.

Mr and Mrs P have explained how damage has worsened significantly in the two-year period I'm considering, with cracks opening and closing during periods of bad weather. They've explained how the cracks have spread extensively across their property over the last two years (with five times more damage than there was two years ago) and it has now affected most rooms. They've explained the significant distress this has continued to cause them, with serious concerns about the stability of their home with the continued worry that it could collapse.

Mr and Mrs P have also explained how their claim was transferred numerous times by the agent acting on behalf of RSA, and each time the new agent had to familiarise themselves with what had happened up to that point, and this caused additional frustration, inconvenience and delays. Mr and Mrs P say that RSA's agent wrote to the wrong neighbour about trees causing subsidence and this caused delays. And Mr and Mrs P say they were told several times that RSA's agent would visit to consider next steps, but this didn't happen.

Mr and Mrs P say that a loss adjuster did attend in October 2023 and was surprised by the extensive nature of the damage and that nothing had been done, despite the claim being made (by the former homeowner) in 2019. But that's as far as the claim has progressed.

As I say, RSA has provided very limited information in support of their position as to what happened during the period I'm considering. And in the absence of this, I'm persuaded by what Mr and Mrs P have said – that there was little to no action on the claim for nearly two years, and this caused the property to deteriorate, and has caused them significant distress and inconvenience throughout this time.

RSA previously offered £50 compensation to Mr and Mrs P (which wasn't accepted or paid), but this was only for the handling of a specific call. I don't think this is sufficient for what happened (or didn't happen) over the two-year period I'm considering here, and I agree with our investigator that RSA should pay Mr and Mrs P £2,000 compensation for the impact this has had on them.

It's also unclear what next steps or plans are in place to now move the claim forward meaningfully. And I agree with the investigator's recommendation that RSA (or their appointed agents) should visit Mr and Mrs P's property to further investigate the ongoing subsidence and provide an action plan for the next steps in the claim.

My final decision

It's my final decision that I uphold this complaint and direct Royal & Sun Alliance Insurance Limited to:

- Visit Mr and Mrs P's property to further investigate the ongoing subsidence and provide an action plan for the next steps in the claim
- Pay Mr and Mrs P £2,000 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs P to accept or reject my decision before 29 May 2024.

Callum Milne
Ombudsman