

The complaint

Mr and Mrs I complain Royal & Sun Alliance Insurance Limited handled their home insurance claim poorly.

RSA's been represented by an agents for the claim. For simplicity, in places, I've referred to those agents' actions as being RSA's own.

What happened

In August 2023 a car crashed into Mr and Mrs I's home. They claimed for the resulting damage, including to the front door, garage and porch, against their RSA home insurance policy. RSA accepted the claim. In October 2023, unhappy with the progress of repairs and RSA's general handling of the claim, Mr and Mrs I complained.

In January 2024 RSA issued a complaint response. In summary it said it had followed the correct claims process. It apologised for poor service and delays. It explained why temporary repairs to the front door couldn't be carried out. It apologised for its contractors failing to turn up to arranged appointments. It offered £300 compensation.

As Mr and Mrs I weren't satisfied they asked the Financial Ombudsman Service to consider their complaint. They explained their dissatisfaction with how the ongoing claim had progressed and how RSA's agent hand handled it. They said due to delays their home remained in a poor, unsafe and insecure condition. They said this had a significant impact on their family life. To resolve their complaint they asked to be compensated for the delay and distress.

Our Investigator considered events up until the date of the final response letter – which was 28 January 2024. She felt RSA hadn't progressed repairs in a timely or coordinated manner. She said the delays and poor service had caused Mr and Mrs I significant inconvenience and distress over several months. She recommended it increase the compensation award to £450. She also asked RSA to consider a potential heating system issue as part of the claim.

RSA accepted that outcome. As Mr and Mrs I didn't the complaint was referred to me. They said the increased compensation wasn't enough to make up for the delay and impact on their quality of life.

For reasons of practicality, and because with complaints of this nature we need to draw the line somewhere, I've considered events up until the date of the final response letter. If Mr and Mrs I would like matters beyond that date considered, they can raise a separate complaint.

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 this is an informal service I'm not going to respond here to every point or piece of evidence Mr and Mrs I and RSA have provided. Neither am I going to outline or refer to each of the many twists and turns and developments during the claim. Instead I've provided here only a summary of my thoughts on RSA's handling of it and the impact on Mr and Mrs I. But I would like to reassure both parties that I have considered the claim and complaint fully.

Unfortunately, with a claim of this nature, policyholders often experience a certain amount of unavoidable distress and inconvenience. However, I can only fairly award compensation for avoidable and unnecessary delay, distress or inconvenience RSA's responsible for.

As RSA accepted it's responsible for avoidable delay, I'm not going to outline in any detail here what it got wrong. I'd estimate that its poor claims handling has caused, within the period I'm considering, at least two months of delay.

RSA also accepted it provided, outside of delay, poor service. I agree it has. As an example Mr and Mrs I were given inconsistent information about its contractors' availability. In addition, from Mr I's account, RSA's been unclear and misleading about possible cash settlements. There's also been a failure, considering the insecure door, to give certain repairs appropriate priority.

I've considered Mr and Mrs I's comments on the impact of RSA's handling of the claim – including the following selected examples. The property being in a poor condition for longer than necessary. The damaged door causing the property to be insecure. The property being cold due to damaged insulation and problems with heating. Frequent and avoidable contacts with RSA being required due its poor claims handling.

I accept the experience has caused Mr and Mrs I avoidable distress and inconvenience across several months. But having considered everything I'm satisfied a total of £450 compensation, as recommended by the Investigator, is fair and reasonable. So I'm not going to require RSA to pay anything more than that.

RSA accepted the Investigator's recommendation that it consider repairs, Mr and Mrs I funded, to heating pipework as part of the claim. I haven't been provided with enough information to determine if the relevant damage and repairs should be covered by the policy. So it wouldn't be appropriate for me to do so here.

Because of that I agree with the Investigator that the practical approach is for RSA to consider the available evidence, including Mr and Mrs I's invoice, to determine if the relevant damage and repair is covered by the policy terms. If RSA accepts it is covered, as well as covering the repairs, I'd expect it to make a reasonable contribution to additional fuel costs Mr and Mrs I say arose from the use of electric heating, rather than gas.

Finally in response to the Investigator's assessment Mr and Mrs I said, due to the condition of the property, they should have been given alternative accommodation (AA) by RSA. The policy does provide for AA when the property is uninhabitable. I've considered the available evidence - including Mr I's descriptions of the property and RSA's validation report. I accept there was inconvenience involved in living in the property in the condition it was. But I'm not persuaded it was uninhabitable. So I can't say RSA acted unreasonably by not providing AA.

My final decision

For the reasons given above, I require Royal & Sun Alliance Insurance Limited to:

- pay Mr and Mrs I £450 compensation (including the £300 offered in its complaint response) and
- as set out above consider if the heating pipe work repairs and related damage is covered by their policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I and Mrs I to accept or reject my decision before 24 July 2024.

Daniel Martin
Ombudsman