

## **The complaint**

Mrs H and Mr H complain that Royal & Sun Alliance Limited delayed in settling their claim for an escape of water at their property and declined to pay the costs they incurred by using a claims management company (CMC).

## **What happened**

Mrs H and Mr H held a buildings and contents insurance policy with RSA which was purchased through a broker.

In July 2022, Mr H noticed pressure dropping on the boiler, and so he contacted a contractor who completed some trace and access work, locating the leak in pipework under the kitchen floor, but was unable to get to it. Mr H also appointed a CMC to assist them at the recommendation of the trace and access contractor.

The leak was subsequently repaired by RSA's contractors and the reinstatement works were scoped in November, but there were further delays and settlement wasn't paid until April 2023.

Mr H and Mrs H complained to RSA about the delay. RSA accepted there has been some delays of around three and a half months in progressing the claim and awarded compensation of £400 for the distress and inconvenience caused.

Mrs H and Mr H weren't happy with this and brought their complaint to us.

One of our investigators looked into their complaint and she thought that RSA's offer of £400 for the distress and inconvenience caused was fair. She didn't think that RSA needed to pay the costs of the CMC.

Mrs H and Mr H were unhappy with this, and so the case has come to me to review.

## **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'm not upholding this complaint – I think that the payment of £400 made by RSA is fair and I will explain why.

## **Delay**

This claim was first reported to the brokers on 25 July 2022, and they appointed their approved contractor manage the claim. They asked for quotes, invoices and a plumber's report.

Mr H engaged a leak detection expert who located the leak but were unable to access it or make remedial repairs because of access issues. Their bill was £594. Mr H also appointed a claims management company recommended by the leak detection company to assist with the progressing of the claim.

In September Mr H notified RSA that he would need to make a claim under his policy for the damage and repairs. RSA replied that there was trace and access cover up to £5000. In October Mr H notified RSA that he was struggling to get a plumber to do the work and asked if they could appoint their own contractors to complete the trace and access. They appointed a trace and access firm who were also authorised to carry out the repair, and Mr H paid the £200 excess to get this work completed.

The leak detection experts excavated and repaired the pipe and billed RSA £694 for their services on 26 October 2022.

On 8 November RSA's contractors visited the property and completed a scope of works for stripping out, removing debris, repairing and reinstating the floor and kitchen units. The costs were £2635.76.

However, although this quote was accepted, nothing further happened until January. In January it was identified that at the time of the loss, the buildings had been underinsured, and a proportionate settlement was deemed appropriate. A rescope was requested, but never undertaken, and in February a cash settlement was offered to Mr H at 61.6% of £2635.76 which was £1623.63.

Mr H logged a complaint about the delay in reaching the settlement but accepted the property had been underinsured and the proportionate settlement decision. He felt there had been excessive delay causing levels of domestic inconvenience and upset. Payment of the claim was eventually made on 3 April 2023.

On 10 March when RSA issued their final response letter, they accepted that there had been around three and a half months of unnecessary delay from when the scope was completed at the beginning of November until the date of the complaint. They awarded Mr H and Mrs H £400 which was paid to them on 7 April 2024.

Looking at this timeline of events, I can see that initially the delay was when Mr H was trying to get his own contractor to deal with it. After he asked RSA to use their own contractors in October, the work and the scope were conducted in a reasonable timeframe. However, from 8 November 2022 until March 2023, notwithstanding the issue regarding the underinsurance and proportionate settlement, there was inactivity by RSA's contractors, which caused inconvenience and upset to Mr H and Mrs H.

I appreciate that this was over the Christmas period, and will have been inconvenient, but I haven't seen any evidence of specific issues or difficulties arising from the delay, so I'm satisfied that £400 is a fair offer for the period of delay here.

### **Costs of the Claims Management Company**

On the advice of the private contractors, Mr H and Mrs H engaged a CMC to act on their behalf shortly after the start of the claim. They have incurred costs from this which they have asked RSA to pay and RSA have declined.

I've thought about whether it is fair for RSA to meet these costs, and I'm not satisfied that it is.

RSA didn't instruct the loss assessors and neither did they have any interaction with them. I would normally expect to see contact between the loss assessor and the insurer, but there is none in evidence here.

I can't see that RSA were even aware of their involvement, nor did they agree to pay the costs, and as they were engaged by Mr H before any delays occurred, I can't say they assisted in progression of the claim. Therefore, there are no grounds for me to ask RSA to pay for any of these costs.

### **My final decision**

My final decision is I'm not upholding Mr H and Mrs H's complaint against Royal & Sun Alliance Limited and so they don't need to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 17 September 2024.

Joanne Ward  
**Ombudsman**