

## **The complaint**

I, a company, complains about a claim it made on its Royal & Sun Alliance Insurance Limited ('RSA') business protection insurance policy.

I says RSA treated it unfairly.

I's complaint was brought by a representative on its behalf, but I shall refer to all submissions as being its own for ease of reference.

## **What happened**

This complaint follows an earlier complaint to The Financial Ombudsman Service about a claim I made on its business protection insurance policy following damage to its premises after a storm in July 2021. Amongst other things, I was unhappy about the settlement amount RSA was offering in respect of its claim for business interruption.

In October 2023 I issued a decision not upholding I's complaint, but I acknowledged I was still supplying RSA with further evidence to consider in respect of the business interruption and contents element of its claim, which RSA had yet to look at. This complaint follows further information being supplied. In particular the issues in dispute are:

- The time taken by RSA to respond to I's complaint
- The amount offered in settlement of the business interruption insurance claim
- The delays in RSA dealing with the claim for which compensation is claimed
- A request for I's representatives' costs in dealing with the claim and complaint

Our investigator considered I's complaint and upheld it. She said:

- I should be entitled to accept the settlement offer RSA had previously put to it in respect of the business interruption insurance claim which had subsequently been withdrawn and that RSA should now pay this.
- whilst RSA's final response letter was sent outside the 8-week response time expected, I wasn't prevented from pursuing a complaint to this Service.
- Although RSA should have checked the bank account details it was using to make a payment to I, this did not cause I any considerable inconvenience as all I had to do was transfer funds between its own accounts.
- No compensation should be paid on the time RSA took to deal with the claim, including representatives' costs.

I does not agree, so the matter has been passed to me to determine.

## **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 agree that I's complaint should be upheld for the same reasons and in the

same way set out by the investigator. I've explained why under the headings below. In doing so I can confirm that I have considered all of the very detailed submissions made by both parties. Whilst I haven't recited them all here, I have taken them into account when reaching my conclusions. That's not intended to be disrespectful, but rather represents the informal nature of the Financial Ombudsman Service.

#### *Business interruption insurance claim*

Following my last decision, RSA made a revised offer for the business interruption insurance claim to I. I didn't accept this and provided reasons. RSA stood by its previous position on reliance of advice from professional agents. They provided a thorough explanation of how they had arrived at their calculations in relation to I's pub income, the function room and the flat. Whilst I didn't agree with that, I can't say that RSA was not entitled to rely on the professional opinion of qualified agents in determining the value of the claim to be paid, based on the evidence supplied. There's nothing in the explanation given by RSA that suggests to me that it was flawed or that the claim should be calculated differently because of some significant misunderstanding.

Whilst I appreciate that I has been represented throughout this complaint, I'm not satisfied that it has supplied any expert evidence to support what should be paid to it and why that contradicts RSA's position. In light of this I don't think RSA acted unfairly in reaching the conclusions it did in respect of the amounts claimed for pub income, the function room and flat.

I is also unhappy that RSA has not accepted the sums it is claiming in relation to arrears of rent. As I has yet to supply a head lease agreement to demonstrate that I was entitled to sublet the property, I can't say RSA have done anything wrong here and I don't think they RSA need to do any more.

I understand that RSA withdrew its final offer to settle this claim when I didn't accept it. As the investigator said, I don't think this was fair, so I direct RSA to now pay the amount it has offered to I in its letter dated 30 November 2023 in settlement of the business interruption claim.

#### *Time taken by RSA to deal with I's concerns*

Once I complained to RSA about the way in which it had calculated its claim, RSA had until 28 January 2024 to respond but they didn't provide their final response letter until 2 April 2024- some 2 months outside of that. However, RSA did provide I with referral rights to bring their complaint to the Financial Ombudsman Service on 26 January 2024. So, although I hadn't received a final response letter, they were aware they could refer their complaint if they wanted to. In light of that, I don't think RSA's actions caused I any prejudice.

#### *Payment*

I is unhappy that RSA sent a payment to a different account than the one they had specified in an email of 21 February 2024. Whilst RSA did make a mistake in sending the payment to another account it held for I, I don't think this caused I any considerable inconvenience because all I needed to do is transfer that payment to itself between its accounts.

#### *Delays and costs claimed*

It's clear to me that the history of this claim has been hard fought and long disputed by I. That said, I don't think I can put the time taken to deal with I's claim down to significant delays by RSA alone. From what I've seen RSA was seeking advice on all of the points

raised by I throughout the life of it. And although I has instructed a representative to act for it, I don't think this means that I is entitled to that representatives' costs. We don't usually pay compensation to complainants if they instruct representatives unless we consider their involvement vital. In this case I'm not persuaded that I did need to instruct a representative to deal with its claim or indeed this complaint. It could have dealt with the matter itself. And although I understand it might not have wanted to, that doesn't mean that RSA has to pay its costs in doing so. As such I don't think RSA need to pay anything in respect of the sums claimed here.

### **Putting things right**

RSA should pay the amount it has offered to I in respect of its business interruption insurance claim set out more particularly in its letter dated 30 November 2023 in settlement of that claim.

### **My final decision**

I uphold I's complaint against Royal & Sun Alliance Insurance Limited and direct it to put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask I to accept or reject my decision before 18 July 2024.

Lale Hussein-Venn  
**Ombudsman**