

The complaint

Ms P complains about the way Royal & Sun Alliance Insurance Limited trading as RSA ["RSA"] has handled a claim she's made on her buildings insurance policy following subsidence damage to her property.

What happened

Ms P is represented by a third party in bringing this complaint. References I make to Ms P's actions include those of her representative.

RSA is the underwriter of this policy, i.e. it's the insurer. Part of this complaint concerns the actions of the agents for which RSA has accepted responsibility. Any reference to RSA includes the actions of its agents.

The background to this complaint is well known to the parties, so I've provided a summary here.

- Ms P's property experienced subsidence in 2017 and she made a claim on her buildings insurance policy. RSA appointed specialists to deal with the claim. Monitoring was undertaken, mitigation work completed and the property was considered to be stable. Ms P made a number of complaints about the way RSA had handled the claim. RSA issued a final response in March 2023 in relation to the issues preceding this current complaint and paid £1,000 in compensation to Ms P.
- Around June 2023, RSA provided a schedule of works (SOW) and a cash settlement offer of around £17,000 for the subsidence repairs but Ms P said this wasn't enough to get the work done by one of her contractors. She asked RSA to engage its contractors instead.
- Seemingly though, RSA's contractors declined to undertake the work. Ms P had obtained a number of estimates from private contractors but RSA thought these were too high so progress on the claim was slow. Ms P was unhappy with this and made a further complaint to RSA about delays and poor communication and the impact these had on her.
- Unhappy with the time it took RSA to respond, Ms P raised a complaint with this Service. Our Investigator considered the evidence and initially said RSA should pay the cost of Ms P's contractors to do the work. But subsequent to this, RSA confirmed it had found a contractor which was willing to undertake the work and the Investigator said this was fair. She awarded £750 for the impact of delays and poor claims handling. RSA accepted the findings but Ms P didn't as she was unhappy with the amount of compensation and the lack of firm timescales for the work to be completed, having lost faith in RSA. The Investigator didn't agree to give specific timescales when the new SOW was still to be agreed.
- After some more back and forth between parties, the Investigator clarified the scope of her investigation and let the parties know the dispute over the revised SOW sat

outside this complaint. She said RSA should work with Ms P to agree this revised SOW without delay. It should also provide proactive weekly updates of progress and plans. And she maintained her view RSA should pay £750 compensation.

- Ms P didn't agree with this as she wanted to await the amended SOW and to receive assurances about any future delays and communication problems. So, the case has come to me for an Ombudsman's 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.

I've taken into account relevant industry rules and guidance that insurers must deal with claims promptly and fairly and support customers using their policy. I'll be keeping this all in mind when considering this complaint together with what I consider to be fair and reasonable.

In reviewing this complaint, my focus will be on the period of time from after the last final response to the completion of our investigation. New issues after this and any ongoing delays sit outside this complaint as explained by our Investigator previously.

Delays

- It's clear from the evidence RSA hasn't progressed this case as I'd expect. Its original contractors refused to undertake the work required due to the involvement of Ms P's representative, a loss assessor. I've not seen anything which shows the representative has behaved unreasonably so this decision by RSA's contractors seems very unusual and has caused delays.
- I've carefully considered the internal communications between RSA and its agents and RSA's frustration with its agents over the slow progress of the claim is apparent throughout. The slow response times from the agents were also referred to in correspondence RSA sent Ms P. So, RSA accepts its claims handling has been poor and I agree.
- RSA struggled to find a contractor willing to undertake the work and this seemingly caused a delay of around ten months, a significant part of the overall delays of around a year. During this time little practical progress was made on the claim and I understand why Ms P would have found this frustrating.
- Ms P has highlighted the impact RSA's poor claims handling has had on her. She says multiple rooms in her property are impacted and she feels like she's living in a bomb site. She says the property has uneven floors and drafts from windows, amongst other things. Ms P says how worried and upset she's been due to the uncertainty around the claim and time RSA has taken. I understand why this would be the case.
- I have thought about this very carefully and having done so, I will be directing RSA to pay Ms P £750 for the impact of its poor claims handling and delays. I acknowledge Ms P may not agree this is sufficient particularly given the ongoing issues she's identified. But as I explained above, I can only consider a part of the overall claims journey in this complaint and I'm satisfied the amount I've awarded is fair and reasonable for that part.

Claim settlement – remedial works

- During the course of our Investigation, RSA has found a contractor willing to undertake the remedial work and this process is now in course. So, there's no need for me to make a finding about how the claim should be settled.

Other issues

- It's apparent matters continue to move slowly and Ms P is understandably very concerned about this and would like this Service to impose timescales on RSA to ensure matters are resolved swiftly.
- It's not within the remit of this Service to undertake claim handling support and I wouldn't make comments or a direction about what may happen with this claim in the future. But I will remind RSA of its obligation to handle claims promptly and fairly and would expect it to keep Ms P informed about progress on the claim and to resolve it without further unnecessary delay. I say this particularly in light of the other complaints Ms P has had to make about RSA's delays and claims handling.
- I understand there's now a disagreement with the most recent SOW. If an agreement isn't reached and Ms P remains unhappy with RSA's actions subsequent to the time covered in this complaint, she can of course complain again to RSA and then raise the issue with us if she's unhappy with its response.

My final decision

My final decision is that I uphold this complaint and direct Royal & Sun Alliance Insurance Limited trading as RSA Insurance to pay Ms P £750 for the impact of its poor claims handling and delays.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 14 February 2025.

Paul Phillips
Ombudsman