

## The complaint

Mr F complains about the way Royal & Sun Alliance Insurance Limited handled a claim he made on his home insurance policy for damage caused by subsidence.

## What happened

In summer 2022 Mr F noticed damage to his property, he contacted RSA to make a claim on his home insurance policy. RSA accepted the claim. It found the damage had been caused by subsidence. A tree belonging to a neighbour was found to be causing the subsidence. The tree was removed by January 2023. RSA assessed the damage and provided a scope of works in May 2023. But there were issues with it, and RSA said a further site visit was needed. Ultimately a scope of works was approved in January 2024.

During this time Mr F complained about the delays he'd experienced; he wanted the repair work to happen as soon as possible. He also wanted RSA to contribute to his heating costs, he thought they had increased due to the damage in the property allowing a draft in through the doors which didn't shut properly. Mr F felt his excess should be waived given the poor service he'd received.

In February 2024 RSA responded to a complaint from Mr F. It said whilst repairs were now agreed and it was awaiting a start date, there had been poor communication, and long periods of time where it hadn't updated Mr F. RSA offered £600 compensation, it also said it had asked for evidence of historic usage of heating so it could work out if this had increased. It didn't agree to refund the excess.

Unhappy with RSA's response, Mr F brought his complaint to the Financial Ombudsman Service for an independent review. Our Investigator thought RSA should pay a total of £750 compensation for its poor handling.

Mr F accepted the outcome, but RSA didn't. It said it didn't think an extra £150 was justified given it had already made an offer to put things right. As the matter wasn't resolved, it has come to me to decide. In September 2024 I issued a provisional decision on this complaint. A copy of my provisional findings is below.

*It's not in dispute that RSA caused delays in this claim, so I won't repeat the full detail of the issues faced here. My role is to decide if RSA took appropriate steps to put matters right in its response to Mr F's complaint. Having considered matters, I think it did and so I'm not minded to require RSA to pay any further compensation to Mr F. But I'll consider any more either party has to say before reaching my final decision.*

*It seems to me the claim progressed as expected, until early 2023. However, once Mr F had confirmed the neighbour's tree had been removed, in January 2023, it took a year for RSA to sign off on the repair scope of works. From the timeline and RSA's complaint response, I think the assessment of the scope of works should have been agreed by May 2023 at the latest. So I consider RSA's poor handling of matters extended the claim by between seven and eight months.*

*However, RSA offered £600 compensation as an apology for the delay it caused. I'm satisfied that this was a reasonable offer of compensation and is in line with the approach this Service takes. Compensation of this level is to recognise where a business' mistakes have caused considerable disruption over a number of months. RSA did leave Mr F in a damaged property for longer than he should have been. But I don't agree with our Investigator that we should award extra compensation when RSA had already made an offer that was in line with our approach. So as I'm satisfied RSA made a reasonable offer of compensation, I'm not minded to ask it to increase it.*

*RSA also said it would consider Mr F's increased heating costs, if he could provide some historic evidence to compare. I think this was a reasonable request, and also something I'd expect RSA to do, in order to see whether its avoidable delay on the claim had caused Mr F a financial loss.*

*I'm minded to decide RSA made a reasonable decision not to reimburse Mr F's excess. An excess is payable on receipt of a valid claim. Mr F has had works undertaken by RSA in line with the claim. The fact it could have handled matters better doesn't mean the excess shouldn't be payable. RSA has informed Mr F about excess recovery but explained this is only possible where it can show the damage was caused by negligence on behalf of the third party. I haven't, as part of this complaint, considered RSA's decision on whether to pursue this course of action or not as I can't see a decision has been made on this, or that this has been the subject of a complaint with RSA.*

RSA accepted the provisional decision; it didn't have any comments to add. Mr F didn't provide a response.

### **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 and bearing in mind neither party has provided any comments in relation to my provisional findings, I see no reason to depart from them. As such the findings of my provisional decision are now that of this, my final decision.

### **My final decision**

My final decision is that Royal & Sun Alliance Insurance Limited has already made a fair offer of compensation to resolve the complaint. So, if it hasn't done so already, it should pay Mr F £600.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 23 October 2024.

Michelle Henderson  
**Ombudsman**