

## **The complaint**

Mr and Mrs B complain that Royal & Sun Alliance Insurance Limited (“RSA”) haven’t completed an effective and lasting repair following a claim under their buildings insurance policy.

Where I refer to RSA, this includes the actions of its agents and claims handlers for which it takes responsibility.

## **What happened**

The detailed background to this complaint is well known to both parties, so I’ll only summarise the key events here.

In July 2021, Mr and Mrs B’s basement flat was flooded. They made a claim under their buildings insurance policy, underwritten by RSA.

RSA accepted the claim and arranged for repairs to be carried out.

In February 2022, following completion of the repairs, Mr and Mrs B moved back into the property. Later that year, several walls within the flat experienced secondary flooding.

Mr and Mrs B believe this has been caused by RSA’s failure to complete an effective and lasting repair, because:

- They were informed by the loss adjustor and surveyor that it was standard practice to replaster all walls up to 1.2 metres in flood claims. But when they moved back in, they found that only the walls in the back bedroom and the left dining room wall had been replastered.
- The walls which have been replastered have shown no signs of secondary flooding or damp, yet all the walls which weren’t replastered have.
- They’ve lived in the property for almost ten years and have never experienced damp in it before.
- When they moved back in, they were informed by the painter that only one coat of paint had been applied because the walls were still wet. They returned in August 2022 to apply the second coat. And shortly afterwards, Mr and Mrs B experienced the secondary flooding.

RSA said Mr and Mrs B’s flat experienced damp prior to the flood, which is evident by historic injection holes to the external walls. It says the flat was dried to pre-loss moisture levels and any dampness is a pre-existing issue and unrelated to the flood.

Mr and Mrs B didn’t agree, so they raised a complaint. And when RSA maintained its position, they contacted our Service.

Our Investigator upheld the complaint. Based on the timing and location of the dampness, she was persuaded this was more likely to be secondary flooding and that RSA hadn't completed an effective and lasting repair. She recommended that RSA carry out repairs to the affected areas and pay compensation.

Mr and Mrs B accepted what our Investigator said, but RSA didn't. So the complaint has been passed to me to decide.

### **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 RSA has accepted the claim for flood damage under the policy terms and have opted to settle the claim by way of a repair, it is responsible for ensuring that an effective and lasting repair is completed. I'm not satisfied it has done so. I'll explain why.

RSA has provided a copy of the Final Moisture Reading Certificate showing that the drying was completed on 9 September 2021. The observations made by the professional on the certificate say:

*"This is a basement property and is situated below street level. The property is unlikely to be tanked. There are cold, solid, external walls present, as well as visible historic injection holes to the external front wall which is also painted. The concrete plinth is causing bridging. The dining area party wall is affected by pre-loss dampness to the middle of the wall. The concrete floor slab of the rear extension is blocking the air bricks to the original floor void. The air bricks are higher than the internal floor, the chimney hearth has no DPM. The floor void is shallow. We will be reducing moisture to pre-loss levels which is likely to be damp as we will be unable to declare the property to be dry to industry acceptable standards."*

The final moisture readings for all walls in the property was 20-40%, which seems considerably high. The initial readings were 100% from the flood, so it's clear the levels have been reduced. But RSA has left the property in a damp condition.

I appreciate the intention of the policy isn't to leave Mr and Mrs B's property in a better condition that it was prior to the flood. And the advice from the professionals was that there was likely pre-loss damp.

But I haven't seen any persuasive evidence to show me that the property was damp prior to the flood and to what extent. I'm aware there are some historical injection holes in the external walls, but I don't know when these were made. Mr and Mrs B say they've had no damp in the property in the ten years they've lived there.

Whilst the professional dryers have made some observations about the property, this isn't conclusive evidence that the property was damp to the extent RSA has left it in, or at all. Lots of what they've described are circumstances in which damp could occur, but that doesn't mean it was damp or that any of the water was unrelated to the flood. In fact, the dryers say the property is unlikely to be tanked, but this is contradicted in emails which I'll refer to below.

So I can't say with any certainty that a reading of 20-40% moisture is in line with the pre-loss condition.

But even if I was persuaded that the property was damp to this extent prior to the flood – and to be clear, I'm not – it's not clear why RSA went on to carry out a repair at all knowing that it was likely doomed to fail. I'm not aware of any conversations it had with Mr and Mrs B to highlight the concerns of pre-loss damp and to discuss other means of settling the claim.

I've been provided with a copy of an email chain from November 2021, two months after the property was deemed sufficiently dry. An email from a Contracts Manager says:

*"It would seem that flood has saturated the wall behind a previous tanking solution. It is now slowly percolating up the [wall] from behind the 1m water proof render. This would have understandingly have been missed, as the waterproof coating would have registered dry on a damp meter."*

This email is forwarded to RSA by the surveyor, who says:

*"We have an issue with damp rising behind the waterproof render on the party wall. This is not 'rising damp' but water trapped in the wall behind the waterproof render following the flood."*

RSA respond saying that rising damp isn't covered by the policy, to which the surveyor replies:

*"This is not rising damp in the sense you mean. It is trapped flood water which is now rising above the render line due to capillary action. I would assume the adjoining property is not protected by a waterproof render. I would suggest this is a peril related issue but will leave it to you to make the final decision on liability."*

I've seen no evidence that further drying - or any other remedial works - took place, but even if it did, it's clear the issue wasn't resolved. I say this because it returned in August 2022 when all works were completed.

I don't think it's a coincidence that the property showed signs of secondary flooding so soon after the flood works were completed. And, as we can see from the email chain above, these issues arose whilst work was ongoing as well. So I'm not persuaded this is unrelated damp and I haven't been provided with an expert's report to say that it is.

Rather, I agree with our Investigator that it's more likely than not the internal walls which weren't stripped back at low levels and replastered, had not completely dried out when they were redecorated. And this has contributed to the secondary flooding. This is supported by the fact that the walls which were stripped back at low levels and replastered haven't experienced the same problems.

It's for these reasons that I'm not satisfied RSA has completed an effective and lasting repair to Mr and Mrs B's property. It will need to carry out remedial works to the affected areas.

Mr and Mrs B have suffered distress and inconvenience from this failed repair and RSA's refusal to take responsibility for it. I agree with our Investigator that they should be completed for this, and I think £350 is reasonable for what's gone wrong.

### **My final decision**

For the reasons I've explained, I uphold this complaint and direct Royal & Sun Alliance Insurance Limited to:

- undertake repair works to all walls affected by secondary flooding to achieve an effective and lasting repair.

- pay compensation of £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 11 December 2024.

Sheryl Sibley  
**Ombudsman**