

The complaint

Mr and Mrs V complain about the way Royal & Sun Alliance Insurance Limited (“RSA”) has handled a claim they made under their home insurance policy.

Mrs V has primarily dealt with the complaint so, for ease of reading, I’ll mostly refer to her.

What happened

The circumstances aren’t in dispute, so I’ll summarise the background:

- Mrs V got in touch with RSA about damage to her property in August 2018. RSA appointed a loss adjuster, C, to look into the claim.
- C carried out investigations and said the damage had been caused by subsidence as a result of nearby trees. The claim was accepted and C took steps to have the trees removed, stabilise the property, and then carry out building repairs.
- By July 2023, numerous builders had been appointed – but no progress had been made. A new builder, L, had recently been appointed and the next step was for L to schedule the repairs. And then for RSA and Mrs V to agree whether the claim would be settled by L carrying out the repairs or a cash payment.
- Complaints arose, primarily about delays, service, and communication, and were referred to this Service. RSA accepted it should have handled the claim better and paid compensation. Mrs V asked for RSA to replace C with another loss adjuster. It didn’t think that would help to progress the claim more promptly and we agreed.
- After the latest complaint was resolved in October 2023, L visited Mrs V to inspect the damage and schedule the repairs. The schedule was approved by C and shared with Mrs V in December 2023. Mrs V said work was missing from the schedule and she appointed a loss assessor, F, who prepared a report which said a structural engineer should be appointed.
- Mrs V raised a new complaint, but RSA didn’t reply within the timescale for doing so. Mrs V referred her new complaint to this Service. RSA later responded to the complaint in June 2024. It accepted there had been a further delay and paid £100 compensation as a result. But it maintained it wouldn’t be beneficial to replace C. In response to F’s report, RSA said it could arrange a joint visit to the property between C and the structural engineer to consider the matter further.
- Mrs V arranged for a structural engineer, D, to inspect and report on the matter. She received the report in July 2024, and shared it with RSA and C soon after. She received no response.
- Whilst we investigated the complaint, RSA told us it could arrange for an individual from its specialist buildings team to “have full oversight of the case”.

- Separately, Mrs V made a complaint to RSA about the increase in her premium at the latest renewal. In May 2024, RSA responded to say the subsidence claim hadn't impacted the increase – it had been caused by a range of other factors. Mrs V referred that complaint to this Service too.
- Our investigator looked at what had happened during the claim between October 2023 and June 2024, as well as the premium increase. She thought RSA should remove C from the claim to move the claim forward effectively. She also agreed RSA should provide oversight, suggesting two individuals would be more helpful than one. And it should provide clear timelines for the remainder of the claim as well as response times to communication. She thought RSA should pay £200 compensation in total. Lastly, she thought the premium increase was fair.
- An agreement to settle the complaint wasn't reached, so the complaint was passed to me. After further discussion, RSA agreed to take additional steps with the claim and make further payments, but an agreement still wasn't reached.

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 our investigator has explained, the scope of the complaint begins in October 2023, when the previous complaint was resolved. Ordinarily, I'd consider matters up to and including the latest complaint response – which would be June 2024 in this case. However, the report from D became available very soon afterward and is a key piece of evidence for the progression of this long running claim. So, I'll extend the scope to include D's report and RSA's response to it in order to provide a more complete answer for both parties. The scope of the complaint also includes the premium concerns responded to in 2024.
- There are three main complaint points to consider: the next steps for the claim, how it was handled during the scope of the complaint, and the premium increase.

Claim next steps

- By October 2023, L visited Mrs V to inspect the damage and schedule the repairs. The schedule was approved by C and shared with Mrs V in December 2023. However, Mrs V thought work was missing from the schedule. She took advice from F, and then D, and by June 2024 the claim hadn't materially progressed.
- D said the schedule was insufficient and more robust repairs were required. RSA has accepted this. D's report also raised concerns that the property wasn't stable and ready for repair and recommended steps to consider the matter further.
- Firstly, D recommended further level monitoring. I understand RSA followed that recommendation as it took a further reading in September 2024. There may have been other readings too, but RSA has recently agreed to continue level monitoring into 2025 regardless. D also recommended further ground investigations to consider the potential cause(s) of ongoing movement. RSA didn't follow that recommendation at the time, but it's recently agreed to do so.
- That means the next steps for the claim, in line with D's recommendations are:

- Investigate the cause of continued movement (D's report points 5.1 – 5.3)
 - Continue level monitoring (point 5.5)
 - Carry out ground investigations (point 5.6)
 - Once the property has been stabilised, create a revised schedule of repair sufficient to provide a lasting and effective repair (points 5.4 and 5.7)
- RSA should take these steps in order to progress the claim meaningfully.

Claim handling

- As I noted above, the scope of this complaint begins in October 2023 and ends in June 2024, a period of around nine months, together with D's report and RSA's response to it. As a result, I'm only able to consider the claim handling during this period of time. That means I won't be able to consider how the claim was handled before or after that time.
- However, I think it's a relevant and important matter of fact that this claim began in 2018. It's now over six years later and it remains outstanding, with repairs yet to begin – and the possibility that stability hasn't been achieved. And it's been the subject of numerous upheld complaints during that time. Each time, RSA paid compensation and said it would work with C to improve the service offered to Mrs V. However, in response to this complaint, RSA has once again conceded there were delays. I note its complaint response was also delayed. So it's plain to see that C didn't improve – and RSA didn't provide sufficient oversight to ensure it did.
- After the previous complaint, RSA prepared a schedule of repairs which RSA accepts is insufficient. That would be poor in any claim, but especially one that's been going on for as long as this one. And, when Mrs V provided D's report, it took around ten weeks for that to be acknowledged – and I don't think C or RSA ever responded to it meaningfully. Given the importance of that report, in such a long running claim that hadn't progressed for many months by that point, and had been the subject of several upheld complaints, this is astonishingly poor service.
- As the claim handling by C has continued to be so poor, despite the promises to improve, it's clear something needs to change. RSA has agreed to take over claim management from C and do the following:
 - All communication with Mrs V is from RSA direct.
 - RSA to provide Mrs V with two dedicated points of contact.
 - RSA is entitled to retain C if it wishes – but, as far as Mrs V is concerned, C would be in the background. RSA would be responsible for communicating effectively with Mrs V and, if there are problems with C, those would be for RSA to deal with – not Mrs V.
 - RSA should set out an anticipated timeline for the remainder of the claim to Mrs V. If that timeline needs to be revised for any reason, RSA should do so and share that with Mrs V.
 - RSA should maintain prompt and clear communication with Mrs V.
 - RSA should also set out service standards for communication with Mrs V. For example, it will acknowledge an email within X days and respond meaningfully within Y days etc. Then it should keep to those standards.
- I would expect RSA to keep to this agreement at all times and ensure it fulfils its regulatory requirement to handle the claim promptly and fairly.

- I understand RSA has agreed to pay for F's advice and may have made the payment. It's not entirely clear if it has, so I've included a payment of £1,080 within the award in case it hasn't. RSA has also agreed to pay for D's advice. So I'll also award a payment of £780 for that. I don't think that amount has been paid yet.
- RSA initially offered, and paid, £100 compensation for the scope of this complaint. I'm not satisfied that goes far enough to reflect the avoidable distress and inconvenience caused. RSA has now agreed to pay a further £500, making £600 in total. I'm satisfied that's fair and reasonable in the circumstances, alongside the other payments it's made or agreed to make, and the other steps it will take. Whilst I know Mrs V isn't necessarily seeking compensation, nonetheless I think it's right she's fairly compensated for the impact of RSA's failings.

Premium increase

- Mrs V noted her premium had increased at the 2024 renewal – from around £1,200 to £2,000. She didn't think this was fair, particularly if the ongoing subsidence claim had contributed to it.
- An increase of around 60% is, in my view, a significant one. I can understand why it would be unwelcome for Mrs V – particularly given it comes during a period of much frustration and disappointment for her as a result of the long-running claim.
- RSA has shared with this Service information from its underwriters who reviewed the premium increase. Whilst Mrs V may wish to see that information or understand it in detail, it's commercially sensitive. So it wouldn't be appropriate for me to share it. However, I can assure Mrs V I've thoroughly considered it.
- In summary, RSA has confirmed the subsidence claim has had no impact on the premium. So I'm satisfied the long running nature of the claim hasn't contributed unfairly to an increased premium. RSA has also explained that wider factors have caused it to increase premiums significantly for all policyholders – and that means Mrs V isn't being treated unfairly in comparison to other policyholders.
- Mrs V may nonetheless consider the increase is above average across the buildings insurance market. However, RSA isn't required to be in line with, or more competitive than, the average – or any other measure. It's entitled to take its own view on how risky it is to provide insurance and set premiums accordingly. And, in this particular case, it's not disadvantaged Mrs V for the subsidence claim or in comparison to other policyholders. In these circumstances, I'm satisfied its premium increase was fair.

My final decision

I uphold this complaint.

I require Royal & Sun Alliance Insurance Limited to:

- Take the next steps for the claim, as set out above.
- Do so in line with the claim management agreement, as set out above.
- Pay £780 for D's advice, if not done so already.
- Pay £1,080 for F's advice, if not done so already.
- Pay a total of £600 compensation. If £100 has already been paid, only the remaining £500 need be paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V and Mrs V to accept or reject my decision before 31 March 2025.

James Neville
Ombudsman