

The complaint

Mr F is unhappy with the decision made by Royal & Sun Alliance Insurance Limited (RSA) following a claim for accidental damage to his contents under his home insurance policy.

RSA is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. RSA has accepted that it is accountable for the actions of third parties instructed by it. In my decision, any reference to RSA includes the actions of any third party instructed by RSA during the course of Mr F's claim.

What happened

In January 2023 Mr F contacted RSA to make a claim following an escape of water causing damage to several rooms in his home. The events following Mr F's claim are well known to both Mr F and RSA. So I haven't repeated them here. Mr F complained to RSA about the delay in dealing with his claim. RSA responded to Mr F's complaint in October 2023, and offered £50 in recognition of its poor service.

Unhappy with RSA's handling of his claim, Mr F referred his complaint to this service for investigation. The investigator found that the service provided by RSA had been poor, but didn't recommend RSA do more to put things right. RSA accepted the investigator's findings. Mr F disagreed. Mr F said the bedroom flooring wasn't replaced even though he was told it would be, he lost out on a job opportunity because of having to stay home to empty the humidifier on a daily basis, and the work wasn't completed until February 2024. As the complaint couldn't be resolved, it was passed to me for decision.

I issued a provisional decision on Mr R's complaint. This is what I said about what I'd 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'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that has been provided.

I've seen although Mr F reported his claim on 18 January 2023, it wasn't until 1 February that the surveyor (B), completed a site visit. But even after this happened, no progress was made on Mr F's claim until RSA chased for drying and testing work to be done. B instructed a drying company, (R), to attend to Mr F's home to begin the process of drying the affected rooms. RSA say despite several attempts, R was unable to contact Mr F. Mr F says he didn't receive any contact during this time.

The drying process was arranged for 18 March, and ended on 11 April. But I can't see that any attempt was made by RSA to actively progress Mr F's claim after drying was completed. RSA was responsible for managing the claim. It should've done more to support Mr F, and manage the claim proactively from the outset. Its failure to do this amounts to poor service.

I have reviewed the BVS portal notes after drying was completed on 11 April. But up until 3 May the action on the case remained to review the drying report, despite this being completed some weeks earlier on 11 April. On 4 May Mr F called to query the time taking to deal with his claim, and to report additional damage to his wardrobes. I think RSA should've offered an additional visit to scope out the damage to the wardrobes on 4 May.

Instead I have seen several email exchanges where Mr F was first asked for wardrobe measurements, followed by room measurements, followed by images. It seems unlikely that RSA would've agreed cover the additional damage without inspecting it first. I note BVS did re-attend to scope the damage around June. This is what should've happened when Mr F called to report the damage on 4 May. Instead Mr F was caused further inconvenience, and there was further delay on the claim, leading to Mr F's complaint on 22 May.

I have also considered the potential 12 week delay Mr F was told about, before work could start. I do appreciate RSA's position regarding contractors, and the availability of resource. But I've seen the repair costs were scoped at £4,671.98 after the initial visit by B. I'm persuaded if Mr F had been offered a reasonable settlement for his claim, he could've considered this, instead of waiting 12 weeks for work to start. At the time that the settlement offer was made, the damage to the additional rooms had already been inspected by B. So a reasonable settlement offer should've been made to Mr F at the time, so he could consider this offer alongside the option to wait for repair work to begin.

I also note there was little difference between the quote Mr F had found, and what the claim actually cost through work being completed by RSA's own contractors. If B had scoped the claim properly, and communicated with Mr F clearly about the scope and what had been included, then a more realistic settlement offer could've been made much sooner in the claims process.

It's not disputed that a claim of this type, involving a changing scope and costs, can be subject to delays because of the level of scrutiny required to ensure decisions are in line with the policy terms. But as RSA was responsible for managing the claim, it should've done more to support Mr F in completing the repairs to his home in good time. It could've achieved this by taking a more pro-active approach in managing Mr F's claim, and communicating what was needed at the earliest opportunity.

RSA has advised that carpets were fitted in January 2024. This is 12 months after the claim was reported. I'm persuaded RSA is responsible for causing avoidable delays on the claim for the reasons I've explained. And I think it's fair that it pay Mr F compensation in recognition of the impact on him as a result of the delays and poor handling of his claim.

I've carefully considered what Mr F has explained about bedroom flooring not being replaced. I've reviewed the scope of work completed for the bedroom. I can't see that bedroom flooring was included in the summary of costs. That's not to say I disbelieve what Mr F has explained about what he was led to believe would be covered. But on balance, the evidence I've seen doesn't support this. So I won't be asking RSA to cover this cost.

Mr F has described in detail his lost opportunity for work because of having to stay home to empty the dehumidifier. I accept that RSA caused avoidable delays in dealing with Mr F's claim. And because of these delays Mr F was caused upset and inconvenience in living in his home with incomplete repairs, and having to chase RSA for updates. But I'm not persuaded it would be fair and reasonable to say that the impact of RSA's failings was the direct cause of Mr F missing out on the job opportunity he was hoping for. I haven't seen any evidence of RSA advising Mr F to empty the dehumidifier on a daily basis. I accept what Mr F has said about this needing to be done. But on balance I don't agree that this itself prevented Mr F accepting the job opportunity he has described.

I say this because the need to claim on an insurance policy inevitably causes some upset and inconvenience, even when things progress as they should. The impact of the damage can be far reaching, and affect life changing decisions. I recognise Mr F's strength in feelings about how things might've been different if the claim had been handled more promptly. But given the extent of the damage, and repairs needed, it would've likely taken some time for this work to be completed. Although RSA caused a delay in completing the repairs, I don't think I can go as far as saying these delays were the sole reason for Mr F not accepting the job opportunity at the time. So although the compensation I'm minded to direct has considered the impact on Mr F because of the delays in dealing with his claim, I'm minded not to ask RSA to pay additional compensation specifically for this missed opportunity.

Having considered what's happened, and the impact on Mr F, I'm satisfied £350 compensation is reasonable, and broadly in line with what this service would direct in the circumstances. This amount takes into consideration the undue delays in updating Mr F about next steps for his claim. It also accounts for the weeks of waiting for remedial work to begin. Because of these delays, Mr F was forced to continually raise issues with RSA about the continual delays and impact on his well-being. So, I think it's fair that RSA increase the compensation offered to Mr F to £350 for the reasons I've explained.

Putting things right

I am minded to ask RSA to pay Mr F compensation of £350 (if Mr F has already received the compensation amount of £50 previously offered, RSA is directed to pay a further £300 only).

Provisional decision

For the reasons given above, I am minded to ask RSA Insurance Limited to follow my directions for putting things right as detailed above.

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 invited both Mr F and RSA to respond to my provisional decision. Mr F didn't respond to the provisional decision. RSA accepted the provisional decision. Neither party has provided anything that materially changes the outcome of Mr F's complaint, or my direction for putting things right. So I'll be directing RSA to put things right as set out in my provisional decision.

My final decision

For the reasons provided I uphold this complaint. Royal & Sun Alliance Insurance Limited must pay Mr F compensation of £350 (if Mr F has already received the compensation amount of £50 previously offered, RSA is directed to pay a further £300 only).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 15 November 2024.

Neeta Karelia
Ombudsman