

The complaint

Mr and Mrs A complain about how Royal & Sun Alliance Insurance Limited (“RSA”) dealt with a claim she made on her home insurance policy.

Mrs A brought the complaint to this service so I will refer to her throughout my decision.

RSA are the underwriters of this policy. Some of this complaint concerns the actions of its agents. Since RSA accept it is accountable for the actions of its agents, in my decision, any reference to RSA also includes its agents.

What happened

Mrs A rents her home through a housing association. She has a contents insurance policy with RSA which covers her personal items and some home improvements.

In August 2023 there was a leak in Mrs A’s home which led to water damaging her property and contents. So Mrs A made a claim on her contents policy for various items.

Mrs A says she provided a detailed list of damaged items to RSA but she received no response. She had to chase on several occasions in order for her claim to progress and was left living in alternative accommodation that was unsuitable for her family. RSA asked numerous questions about the claim which Mrs A answered promptly. It then declined to settle the whole claim.

The impact of the leak has been significant on her family. She has lived apart from her older children who stayed with family. She’s had poor health too which has been exacerbated by RSA’s handling of the claim.

Mrs A wants RSA to pay the claim – she says she has paid her premiums on time each month. But she says she has been met with obstruction and inaccuracies in the information she’s been provided.

RSA accept it should have appointed a loss adjuster at the beginning of the claim but failed to do so. So it awarded Mrs A £300 to apologise for this. RSA said it had responded to Mrs A’s correspondence within its own timescales, and overall said it had replied to her within a timely manner.

Mrs A didn’t agree so she referred her complaint to this service. One of our investigators looked into things for her. After her initial view the investigator contacted RSA to obtain agreement to look at all of Mrs A’s complaint points given the circumstances. RSA agreed and so the investigator reviewed all the evidence. She said she didn’t think RSA had acted fairly. She said the overall service received has not been what she would expect. Mrs A had provided proof for the items being claimed for but RSA failed to settle the claim. She said RSA should have validated the claim within a reasonable timeframe. So, she said RSA should settle the claim in line with the terms of the policy, including the shower. The investigator said RSA should also pay Mrs A an additional £500 compensation to apologise for the upset caused.

Mrs A accepted the investigator's outcome. RSA didn't accept the outcome and asked that the complaint be referred to an ombudsman to review. But it didn't provide specific comments on what it disagreed with and why.

Because the business didn't agree the complaint came to me to decide.

My provisional decision

I recently issued a provisional decision setting out my thoughts on the key complaint points and how I thought matters might best be resolved. I said:

"There is a lot of information about the claim Mrs A made, and I've looked through everything provided. The detail is well known to both Mrs A and RSA, so I haven't described the claim in any great detail here. I'll comment on any relevant evidence where appropriate to explain my decision. It is also not my intention to minimise the effect the claim has had on Mrs A and her physical and mental health. I recognise the impact the matter has had on Mrs A and her family, and I empathise with the difficulties she's clearly faced.

A claim of this nature, with the extent of the damage in key areas of the home, and to a significant amount of Miss A's belongings, was always like to be a very disruptive and stressful experience for Mrs A. Ultimately the leak resulted in the damage to Miss A's contents. But I've had to decide what impact RSA has caused over and above what might reasonably be expected, through its handling of the claim bearing that in mind it's my intention to uphold the complaint.

The purpose of this insurance policy was to indemnify Mrs A in the event of an insured event taking place. In this case – an escape of water. RSA are the experts in this contract of insurance with Mrs A. RSA and its agents are expected to handle claims efficiently and professionally. In this case, I think much of the problems that now exist could have easily been avoided had a more thorough inventory of items being claimed for been kept – ideally, with photographic evidence.

Validating the claim

RSA initially appointed a restoration company to undertake an inventory inspection. I think this was reasonable since RSA is entitled to conduct an investigation into the circumstances of the claim. On review of the evidence provided I can see the restoration company went out to inspect the damage and produced an initial list of 11 items. The list was left with Mrs A to add items to as she noticed them. RSA say the contractor would normally complete the list on the same day but that didn't happen here.

Mrs A told RSA that some of the items had been disposed of since it wasn't safe to leave them in her home. RSA didn't, at that time, tell Mrs A she wasn't to dispose of any items that hadn't been inspected. So I don't think it was unreasonable for some of those items to be disposed of. Mrs A added items to the list as instructed by the restoration company. When the list was sent to RSA it queried some of the items being claimed for.

RSA say the claim was complicated by the type of cover Mrs A held. I've seen evidence of information from the housing provider detailing what it was responsible for and confirming the parts of Mrs A's home she had spent time and money improving and refurbishing. Mrs A also provided RSA with the contact details of the housing provider so RSA could have contacted them if it needed any further clarification.

Given Mrs A's cover was for contents I would have expected any inspection of the damage to include a review of the items being claimed for. In the notes it is confirmed that some items had been taken to a relative's home for cleaning but Mrs A was advised it was unlikely they'd be cleaned successfully given the nature of the damage. So those items were added to the list. RSA queried some other items. The notes confirm Mrs A provided an acceptable explanation of the items being claimed and so the claim should have been settled in line with policy terms.

RSA say it is within its rights to carry out an in-depth investigation and for those investigations to continue until such time the claim is satisfactorily validated. I don't disagree, but it has a duty to deal with the claim promptly and without delay. I don't think it has done that here, and the result has been a significant impact to Mrs A and her family.

Partial settlement of the claim

RSA agreed to settle the items listed by its contractor on its first visit. Mrs A explained there were other items that were damaged that she noticed afterwards. Mrs A was expecting a second visit from the contractor but it was cancelled so she wasn't able to further demonstrate additional items that were damaged.

Mrs A was happy to allow the contractor and RSA to visit her home to inspect the damage. I've seen emails from her asking why no-one has attended. But she received no response.

RSA's claim notes confirm it will settle the claim on a strict proof basis – essentially meaning it will settle anything Mrs A can evidence. But I don't think that's fair or within the terms of the policy. Mrs A has provided a number of receipts for many of the items she is claiming for.

Where receipts are not available she has provided reasonable explanations for this. As noted by the investigator there is nothing within the terms of the policy that stipulates receipts are required for all items claimed. Further Mrs A has explained some of the items were gifts or are covered under the matching sets clause. So whilst the items aren't damaged they do match other items that have been damaged and so are covered under the terms of the policy.

So I don't agree that only partially settling the claim is fair or reasonable. It is also not in line with the terms of the policy. Mrs A explained she was expecting the contractor or RSA to attend again after the initial visit. And it didn't. If RSA had queries about the items being claimed for it could have instructed the contractor to attend again and inspect the items. Indeed I would have expected it to. I don't think it's reasonable for RSA to continue to ask for further and more detailed evidence, and to penalise Mrs A when RSA had the opportunity to inspect and assess Mrs A's contents but failed to do so. So I intend to uphold this aspect of Mrs A's complaint.

Alternative accommodation

Under the terms of the policy Mrs A and her family are entitled to suitable alternative accommodation. I can see RSA contacted Mrs A's housing provider to see if they were able to arrange anything. The housing provider didn't. So RSA arranged alternative accommodation.

RSA failed to take extra care to ensure alternative accommodation, which Mrs A was entitled to under the terms of her policy, was adequate for Mrs A and her family. Instead Mrs A was moved regularly, was separated from her children for periods of time, and didn't know where she was moving to or when accommodation arrangements were due to end. During this period Mrs A particularly suffered and was admitted to hospital which she explained to RSA.

RSA failed to source suitable accommodation for Mrs A and her whole family, meaning they had to move more than once and were often separated which caused further strain and worry for the family.

Customer service

Mrs A lives with her children the youngest of whom has additional needs. Mrs A also suffers from health conditions that she has to manage. Mrs A told RSA about her circumstances but it failed to identify the severity of the claim and didn't deal with it promptly. This caused extreme worry to Mrs A for her and her children and this was compounded by RSA's lack of communication and responses to Mrs A. There are many emails and calls that went unanswered.

The matter has gone on for over 12 months with the initial escape of water occurring in August 2023. I appreciate RSA did try to assist Mrs A during a difficult time but it seems it has prolonged the matter. RSA didn't manage the claim or Mrs A's expectations since she was under the impression her claim would be paid in full once it had been validated. But that didn't happen.

RSA should have been able to organise and validate the claim much sooner. And RSA's repeated delays and requests for information caused significant distress to Mrs A as her home was left with damp and mouldy belongings for longer than was necessary. It also caused her a lot of worry and day to day disruption. I can see Mrs A has suffered considerable stress and anxiety as a result of this matter, at a time when things were already difficult for her in trying to keep healthy and safe.

It's clear from the complaint notes and correspondence, and from Mrs A's testimony that what should have been a fairly straightforward claim became time consuming and stressful. There have been mistakes, periods of inactivity, and failures to communicate with Mrs A. This has resulted in wasted time on her part making repeated calls and emails to chase things up, forwarding evidence and emails and going back through various documents in order to substantiate her claim.

Mrs A has provided consistent and compelling testimony about what happened and the impact of her claim on her and her family. I've found her evidence to be sincere and reliable.

Summary

There were avoidable delays in the claims process; RSA had an opportunity to attend and assess the items Mrs A was claiming for. But it didn't do this instead it had a partial list with numerous items missed off. It then asked Mrs A for evidence of certain items, which it is entitled to do. But the process took longer than it should have and Mrs A was asked for more evidence of items, or explanations for items being claimed for. Despite this Mrs A provided the information and evidence requested, together with plausible testimony for issues raised by RSA such as the television. During this time Mrs A had to chase RSA to find out what was happening with emails often going unanswered.

Mrs A complained the insurer's conduct during the claim severely affected her. She told us and RSA she suffered from mental health problems. As well as the exacerbation of her health conditions. The stress of not being in their home over Christmas, being moved around alternative accommodation, and being separated from her children caused significant distress and sleepless nights.

It's clear to me Mrs A suffered significant impact to her day-to-day life. Mrs A put in a lot of time and effort to progress the claim and get the insurer to provide the right type of

accommodation for her needs. Not promptly validating the claim and not sorting the alternative accommodation adequately meant there was a serious disruption to her life and significant reduction in her living standards over a sustained period. The actions of RSA also had a serious impact on Mrs A's health, as well as the impact on her youngest child. The impact was severe as she was left in discomfort for a sustained period due to the delays and handling of the claim.

When thinking about what RSA should do to put things right, any award or direction I make is intended to reflect the stress and anxiety caused to Mrs A. Had RSA settled the claim fairly in the first instance I don't think Mrs A would have needed to continue to engage with RSA, her housing association, and ourselves in an attempt to get the amounts she felt should be paid under the policy. I'm satisfied this has taken time and effort from Mrs A, and I don't doubt it would have been both stressful and upsetting during that process.

Our investigator recommended RSA settle the claim and pay Mrs A £500 to reflect the distress and inconvenience caused. I've thought carefully about this. I don't think it fairly reflects the distress and inconvenience caused.

I think an increase is reasonable in the circumstances. I'm not compensating for the future claim handling or what happens next, but to date at the very least this claim has been left unanswered for a long period of time and the distress has been prolonged as a result. There were clear delays during the course of the claim and it's clear to me the impact of that on Mrs A has caused particular stress and upset. I am therefore recommending a payment of £3,750."

I invited both parties to let me have any further comments they wished to make in response to my provisional conclusions.

Response to my provisional decision

Mrs A provided further testimony regarding her health and the alternative accommodation offered by RSA and this has been noted.

RSA provided further detail about the claim but I don't consider there was any new evidence or comments provided. But, I will comment on some issues RSA raised to clarify my thoughts on the matter.

1. Alternative accommodation – RSA says it wasn't solely responsible for housing the customer and Mrs A failed to notify her housing association about the claim. I've seen evidence that the housing association was aware of the matter and wrote to RSA to explain that Mrs A had made significant improvements to her home in the time she lived there. Mrs A also provided RSA with contact details for the Housing Association on more than one occasion. So I think RSA had opportunity to resolve the alternative accommodation with the housing association. Further, I'm not sure what RSA is alluding to here. During the time accommodation was provided Mrs A was living apart from her children, living week to week in a hotel with no cooking facilities, and often wasn't sure where she would be staying each week.
2. Validating the claim – RSA say it didn't have an opportunity to review many of the items claimed for. But I don't agree. It engaged the services of a restoration company to validate the claim and although Mrs A arranged to lift the bathroom tiles herself; I can't see this stopped RSA from asking its contractor to re-attend. RSA requested further detail from Mrs A regarding the items and Mrs A provided this to the best of her ability. I can also see that when RSA had concerns regarding the claim it

investigated further but no further action was taken. So I think RSA had time to investigate and validate the claim, and I don't think Mrs A should be penalised or disadvantaged by RSA's failure to do so.

3. RSA has queried why Mrs A didn't point out the other non-damaged matching items to the restoration company whilst he was there – as explained above RSA had time to raise those queries when Mrs A made the claim and its failure to do so shouldn't lead to poor outcomes for the customer now.
4. The shower pump – Mrs A provided evidence of the cost for replacing the shower pump together with detail about how it became damaged; that panels had fallen off walls with the water influx. Mrs A paid for a report from a plumber to corroborate this and that was sent to RSA.
5. RSA say it received a large number of emails from Mrs A during the course of the claim, and that she was extremely upset and emotional during the majority of calls with her. I think this should have indicated to RSA that Mrs A was vulnerable and should have been treated as such. I would have expected it to take into account the fact that Mrs A is a vulnerable person and she was likely to be pushing for settlement of her claim so she could get back to normal family life. Had RSA dealt with the claim promptly and fairly in the first instance I don't think Mrs A would have needed to continue to engage with RSA. I'm satisfied this has taken time and effort from Mrs A, and I don't doubt it would have been stressful and upsetting during that process. This should have been better monitored by RSA given that Mrs A was vulnerable. The Financial Conduct Authority ("FCA") guidance for businesses on the fair treatment of vulnerable consumer states, *"Firms should take additional care to ensure they meet the needs of consumers at the greatest of harm...firms should also act early to prevent risk of harm emerging or growing."*
The guidance also states, *"firms should be asking themselves what types of harm or disadvantage their customers may be vulnerable to, and how their own actions can increase or reduce the risk of harm."*
6. RSA says it has a right to investigate and validate the claim. And I don't disagree. But on review of the timeline of events I think RSA should have been able to establish the nature of the damage much sooner than it did. It should also have taken Mrs A's circumstances into account in its handling of the claim and I can't see it did this. It's clear the delays caused significant inconvenience and distress to Mrs A and her family.

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.

In light of the fact that neither party provided any additional evidence or information not already seen or considered following receipt of my provisional decision (which I've reproduced here and which forms part of this final decision), I'm satisfied it represents an appropriate way to resolve the dispute.

Putting things right

- Settle Mrs A's contents claim as she initially listed,
- Reimburse Mrs A for the cost of the shower
- Pay Mrs A further £3,750 for the distress and inconvenience caused.

My final decision

For the reasons I've explained I uphold Mrs A's complaint and direct Royal & Sun Alliance Insurance Limited to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and X to accept or reject my decision before 9 December 2024.

Kiran Clair
Ombudsman