

The complaint

Mr G and Ms G complain about Royal & Sun Alliance Insurance Limited's handling of a claim they made under their home insurance policy for damage caused by subsidence.

What happened

The background to this complaint is well known to both parties, so I'll provide only a brief summary here.

I'll mainly refer below to Ms G, rather than Mr G and Ms G. That's because Ms G has brought the complaint to us, and it makes this decision easier to read.

Mr G and Ms G have a home insurance policy underwritten by RSA which covers their home and its contents. They made a claim in June 2023 after noticing damage to the interior and exterior of their property.

RSA appointed a loss adjuster, who carried out a site visit in July 2023. RSA then accepted the claim. They said the damage was subsidence-related and was likely caused by leaking drains.

The loss adjuster appointed a drainage contractor to investigate the issues and repair the drains. They were reasonably quick to visit the property, but after a lack of progress, RSA replaced them, in January 2024.

There were further delays after the second drainage contractor inspected the drains. RSA mistakenly (by their own admission) opened a second claim to cover some of the damage to the drains. And there was a lack of progress as RSA, the loss adjuster and the drainage contractor debated how to proceed.

The repairs to the drains were eventually completed in June 2024 – one year after the claim was made, and almost a full year after RSA's agents had correctly identified the cause of the subsidence (leaks from the drains).

Ms G made a complaint to RSA. She said the handling of the claim was characterised by unnecessary and unexplained delays, poor communications from RSA's agents and contractors, mistakes in the claim-handling (the eventually aborted second claim, for example) and poor customer service in general.

RSA responded to that complaint on 4 July 2024. They carried out a reasonably thorough investigation and review. They admitted in full the failings Ms G had identified. And they paid Ms G £1,000 in compensation for her trouble and upset.

Ms G wasn't happy with this outcome and brought her complaint to us. She said she'd been caused unnecessary stress and upset as a result RSA's failings. And she'd had to constantly chase RSA and/or their agents for updates and/or progress throughout.

She said she'd had to alter work patterns to accommodate visits from the contractors, sometimes unnecessarily. And she had outstanding concerns about the drains which hadn't

yet been addressed.

Our investigator looked into it. And whilst he agreed with Ms G about RSA's failings, he felt the £1,000 they'd paid was fair and reasonable compensation for the trouble and upset Ms G and Mr G had experienced.

Ms G disagreed and asked for a final decision from an ombudsman. She said there was no evidence RSA had actually improved the service to her after their response to her complaint. And she didn't think RSA had demonstrated that they'd learnt from her complaint and would avoid similar problems for other customers in future.

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 should be clear at the outset about the scope of this decision and the timeframe I'm considering.

As I understand it, the claim is still on-going. Ms G has made a further complaint to RSA – about delays and poor service *after* 4 July 2024 (the date of RSA's final response to her first complaint). They've paid a further £700 in compensation to cover errors and failings between 4 July 2024 and October 2024.

Ms G brought that second complaint to our service too. It's been resolved by our investigator, who thought the £700 compensation was fair and didn't ask RSA to do anything more.

He did however make Ms G aware that if she is dissatisfied with RSA's – or their agents' - actions *after* October 2024 (the claim is still on-going), she'd be entitled to make a further complaint to RSA - and then to us if she's dissatisfied with RSA's response.

In this decision, then, I'm looking only at the period between the claim being made, in June 2023, and RSA's final response to Ms G's first complaint, on 4 July 2024.

There's absolutely no dispute about what happened between those dates. In response to Ms G's complaint, RSA set out very clearly and comprehensively their own errors and failings – and those of their agents. And they agreed entirely with the allegations of delay, poor service, and poor communications that Ms G had made.

So, this decision becomes quite a straightforward one for me. The facts aren't in dispute at all, so all I have to decide is whether the compensation RSA paid was fair and reasonable in all the circumstances.

Ms G obviously feels very strongly about her complaint. I can understand that. RSA's agents' handling of the claim has been lacking, their communication has been poor and there have been long periods of entirely avoidable delay. So, I have a great deal of sympathy with Ms G, and I can see why she feels angry and frustrated.

I agree that Mr G and Ms G have therefore experienced substantial distress and upset. They've certainly been inconvenienced throughout by having to chase RSA and/or their agents for updates and progress on the claim.

They would always have been worried when they discovered the damage to their home, but that anxiety has been prolonged because of the unnecessary delays – and made worse by

RSA's and/or their agents' poor communication about the plan for progress with the claim.

As our investigator said when he gave his view on this case, we think compensation awards of around £1,000 are appropriate where a customer has experienced substantial distress, upset and worry and/or serious disruption to daily life over a sustained period (months or even, in some cases, years). We set out this approach to compensation awards on our website.

As I've described it above, I think this is exactly the experience suffered by Ms G and Mr G as a result of RSA's failings and errors in the handling of their claim. And so, I agree with our investigator that £1,000 compensation is fair and reasonable in all the circumstances of this case.

I'd ask Ms G to understand the nature and role of our service. We are empowered – by the relevant statutory rules – to look into and resolve individual complaints. If we believe a financial business has done something wrong which has impacted their customer, we can require that business to take steps to put things right *for that customer*.

I understand why Ms G is keen to ensure that RSA don't make the same mistakes in handling other customers' claims. It's very much to her credit that she takes that broader view. But we don't have any power to direct RSA to change their policies or processes generally.

That would be a matter for the regulator, the Financial Conduct Authority. It's not for me to comment on that in this decision. All I am empowered to do here is to decide whether RSA have treated Mr G and Ms G fairly and reasonably, taking into account their response to the complaint made to them. And, in this case, given the compensation paid, I'm satisfied they have.

My final decision

For the reasons set out above, I don't uphold Mr G and Ms G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Ms G to accept or reject my decision before 10 April 2025.

Neil Marshall
Ombudsman