

The complaint

Mr G and Miss G complain that Royal & Sun Alliance Insurance Limited (“RSA”) carried out substandard repairs, caused damage to their property and provided poor customer service when they made a claim under their home insurance policy.

Any references to RSA in this decision include its appointed agents

What happened

In 2021, Mr G and Miss G made a claim under their home insurance policy with RSA, for damage to their property following an escape of water. The claim was accepted and RSA carried out repairs and reinstatement work, but Mr G and Miss G were unhappy with the handling of the claim. They said that the work had still not been completed after considerable time and the work that had been done was of a poor standard. They also had concerns about the behaviour of some of the contractors. So they made a number of complaints to RSA.

Mr G and Miss G also commissioned a surveyor to inspect the property and write a report. The report confirmed that there were numerous issues with the standard of the work that had been carried out.

RSA considered the complaints and responded, providing two options for Mr G and Miss G to choose from, to progress matters. One of these was for RSA to reattend the property with its project management company, which would be able to provide a detailed reinstatement scope, offer an alternative contractor and clarification of the costs involved. RSA also offered £200 compensation for the distress and inconvenience that had been caused, acknowledging that a further award may be due, but that it was difficult to ascertain how much would be fair before matters had progressed.

Mr G and Miss G remained unhappy with RSA’s response. So they referred their complaint to this service. Our Investigator considered everything and thought the complaint should be upheld. She recommended RSA arrange the rectification work based on the option Mr G and Miss G preferred from the two options provided by RSA in its final response letter. And that RSA should pay a disturbance allowance and more compensation, as well as cover the costs of Mr G and Miss G’s surveyor.

RSA didn’t agree with everything our Investigator recommended. It said it had already paid for the report and surveyor’s fees previously. But it did agree to proceed with rectification works following a further site meeting, and pay a disturbance allowance and more compensation.

Because an agreement couldn’t be reached regarding all the recommendations, the complaint was passed to me to decide.

I considered all the available evidence and issued my provisional decision on 19 November 2024. I’ve included an extract of my provisional decision below:

"For clarity, I should first point out that I've considered the time period from the date of RSA's first final response letter dated 20 May 2021 to the date of its most recent final response dated 22 September 2023. This is because Mr G and Miss G didn't refer the complaint to us within six months of the date of the 20 May 2021 final response. So I won't be able to comment on the issues addressed within that letter, as those issues weren't brought to us within the required timeframe.

But I can consider the issues raised in the most recent final response letter. RSA's complaints specialist has said in that letter, that in relation to the allegations made about the behaviour of its contractors, it's difficult to comment because they weren't personally party to the site visits. Whilst I understand the difficulties, I don't think this is a reasonable response to such allegations as it doesn't indicate to me that a proper investigation was carried out into the contractors' actions. And there's a large amount of photographic evidence to support Mr G and Miss G's claims.

I can see that since the date of the final response letter there has been correspondence about stolen or damaged items and payments have been offered. I'm unable to comment on this however, as it was raised after the date of RSA's most recent final response – so if Mr G and Miss G are dissatisfied with the way RSA have handled the theft claim, they'll need to raise this as a new complaint with RSA in the first instance.

I've considered the payments Mr G and Miss G have requested for their gas and electric bills during the time they weren't at the property and while services were being used by the contractors. I can see there has been some discussion in emails during January 2024 about this. RSA has requested a breakdown of the energy costs, because two bills have been provided for the same period (March to April 2023), and it says the bills are difficult to breakdown. But Mr G and Miss G have said it's not possible for them to get the bills in any other format as their energy providers have refused to do this. So I think a reasonable way forward, as RSA has agreed to cover some energy costs, would be for RSA to consider the bills it's seen, and make an offer to Mr G and Miss G towards the likely cost of energy for the time period they weren't at the property.

Turning now to the rectification works that need to be carried out, the site inspection report dated 2 August 2023 confirms:

"...the areas of work contained within this report fail to reach the acceptable standard of workmanship which should be expected from a professional building contractor. It should be noted that the areas highlighted in this report are not exhaustive and the report should be read in conjunction with the separate file containing pictures of all defective elements of work recorded during the inspection.

It should also be noted that on arrival at the property a damp survey was carried out to the areas affected by the original leak and that I believe that the areas require monitoring over the next few months as there were some areas still showing slightly high moisture readings. The full set of readings taken are included in the picture file included with this report."

I'm therefore persuaded by the report that the standard of work has been poor generally. I've also seen the photographs of the work, which support what the surveyor has said in the report, because the photos show what appears to be poor workmanship on walls, skirting boards, light switches, hinges, wallpaper, flooring and several other areas.

But I can see Mr G and Miss G are unhappy about more than just the standard of the repairs. They've demonstrated with what I consider to be persuasive photo evidence that the contractors behaved in a disrespectful and unprofessional manner at times, for example by breaking items such as a light fitting and a wardrobe, damaging carpets by sweeping rubbish

on to them, and writing profanities on the wall, among several other issues.

RSA feels it's done a considerable amount to try to put things right for Mr G and Miss G. But looking at everything that's happened, I don't currently agree that it's done enough. The £200 compensation offered is on the lower side, for a claim that's gone on for this length of time and has resulted in significant distress and inconvenience for Mr G and Miss G. RSA has accepted the higher level of compensation recommended by our Investigator and says it will increase this by £300. I currently agree and think £500 in total more adequately reflects the trouble and upset the handling of this claim has caused Mr G and Miss G – because although there's always some level of disruption in a claim of this nature, the poor workmanship in this case has prolonged the disruption, which has been ongoing for many months.

As RSA has agreed to pay the disturbance allowance, I won't comment on that further, save to say that I think £10 a day for the total period of disruption is fair and reasonable in the circumstances. This equates to a total disturbance allowance of £5,980.

I think that due to the poor workmanship and negative experiences Mr G and Miss G have had, there's been a significant breakdown in trust. So, to move things forward, I currently consider it fair for RSA to contribute towards the cost of a surveyor to attend the next site meeting with Miss G. Miss G is a vulnerable customer who has been let down by RSA – so it would therefore be appropriate for RSA to increase its current goodwill offer of £500 towards the cost of the surveyor, to £600 + VAT, which is the total cost for Miss G's surveyor to attend the site meeting. I think due to Miss G's difficulties, it would be important for an independent professional to be there to give their expert opinion on rectification works and ensure she's treated fairly. I think this would also go some way to rebuilding trust between the parties.

Miss G has mentioned ongoing costs for a surveyor to potentially provide further reports or for the surveyor to review RSA's findings. But it's not clear whether ongoing discussions will be required following the joint meeting. I think any discussions about rectification works should take place on site, and RSA should then provide a schedule of works based on that joint discussion. If there are any disagreements at the meeting or thereafter, then any issues would need to be raised by Mr G and Miss G with RSA first, before this service can become involved again. It's not our role to manage the claim on an ongoing basis. But I hope my provisional determination helps the parties move forward in a positive and constructive way."

Responses to my provisional decision

Both RSA and Mr G and Miss G responded to my provisional decision.

RSA said it agreed with my provisional findings and had paid the £300 compensation to Mr G and Miss G – and that this should show in their account soon. It also said its claims team would deal with the disturbance allowance, energy bills and surveyor's fee – and the team would contact Mr G and Miss G directly to resolve matters.

Mr G and Miss G also accepted my provisional findings. They said they'd received an offer from RSA on 28 November 2024. And that they agreed with the £600 + VAT payment for the surveyor's fee that I'd outlined in my provisional decision. They also said there was consideration of electricity costs but not gas consumption whilst the property was not occupied by Mr G and Miss G. So they asked what would happen in relation to the gas bills they'd submitted to RSA.

Mr G and Miss G also requested that all the additional costs incurred by RSA not be recorded on their insurance footprint as this would affect their future insurance quotes and

premiums.

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.

Because both parties accepted my provisional decision, I see no reason to depart from those findings. So I'll require RSA to settle the complaint as I set out in my provisional decision and as I've set out again below.

To answer Mr G and Miss G's specific queries, this settlement should include a reasonable offer towards both gas and electricity bills, as these have been submitted to RSA for its consideration.

And I agree that the additional costs that have been incurred by RSA solely as a result of this complaint should not be recorded against the claim, as these are not all claim-related costs. The overall amount recorded against the claim should reflect what RSA has paid out on the claim itself, and not on the complaint. Only direct claim-related costs should be recorded, so that any incidental costs or costs as a result of this complaint do not penalise Mr and Miss G by negatively impacting their future insurance options or premiums.

Putting things right

Royal & Sun Alliance Insurance Limited should:

- Pay Mr G and Miss G £600 + VAT towards the cost of an independent surveyor to attend the next site meeting.
- Pay Mr G and Miss G a disturbance allowance of £5,980 in total.
- Make Mr G and Miss G a reasonable offer towards their energy bills, for the duration of time they were unable to stay at the property.
- Pay Mr G and Miss G a total of £500 compensation for distress and inconvenience, from which it may deduct any compensation already paid for this complaint.

My final decision

My final decision is that I uphold this complaint and I direct Royal & Sun Alliance Insurance Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Miss G to accept or reject my decision before 31 December 2024.

Ifrah Malik
Ombudsman