

The complaint

Mr P and Mr P complain about the way Royal & Sun Alliance Insurance Limited (RSA) has handled a claim they made for a damaged hi-fi system.

Whilst this is a joint policy, only one Mr P has been the main correspondent for the claim and complaint, so I've only referred to him throughout the decision.

What happened

Mr P made a claim for a damaged hi-fi system in late 2023 under his RSA home insurance policy.

RSA said it couldn't find contractors who'd be able to assess the system for damage, and asked Mr P to do so. Mr P initially thought he could get an expert to assess it, but he later complained to RSA that this hadn't been possible. He was unhappy RSA wouldn't agree to pay his own expert up front for a report to be carried out.

RSA issued a final response letter (FRL) on the complaint on 27 August 2024. It didn't accept it had handled matters unfairly. It said its standard process is that validation is needed for a claim to be successful, and the cause of the damage is essential information needed for that validation process.

Unhappy with RSA's response, Mr P referred his complaint to the Financial Ombudsman Service for an independent review.

Our Investigator didn't think RSA had acted unfairly in refusing to appoint Mr P's own expert. However, she noted Mr P's disappointment to learn RSA didn't have any internal experts it could use and thought RSA should pay £200 compensation to recognise the distress and inconvenience caused by this.

RSA accepted that outcome, Mr P didn't. He said the outcome was grossly unfair and unlawful. He asked for an Ombudsman to consider the matter, and so it has come to me to decide.

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 this is an informal Service, I'm not going to respond to every point made or piece of evidence referred to by the parties involved, but I'd like to reassure them all that I've read and considered everything provided.

When making a claim on an insurance policy, it is for the insured – so in this case Mr P – to demonstrate he's suffered a loss covered by the policy. If he can do so, then RSA will need to meet the claim unless it can show it can fairly rely on a valid exclusion to decline it.

Mr P's policy provides cover for certain insured events, or 'causes' as they're referred to in the policy. As is usual in insurance, not every bit of damage that might happen to a home – or items in a home – is covered under this insurance policy. Mr P has referred to the speakers in the hi-fi system as 'blown' and says that this is due to accidental damage. He

says he was adjusting the system on its shelf whilst it was warming up when this happened. But essentially, for a claim to be met Mr P must show the hi-fi system has suffered from accidental damage – which is what the insurance provides cover for. And I don't think he's done that.

Accidental damage is defined under the policy as “*sudden, unexpected and visible damage which has not been caused on purpose.*”

From Mr P's description, I consider some of this definition might have been met, given Mr P says the hi-fi system stopped working suddenly, and it was unexpected. But I can't see, from the photographs Mr P has provided, any “*visible damage*” to the hi-fi system. And so I think RSA has been reasonable in saying Mr P hasn't shown he has a valid claim under the policy.

This Service does expect an insurer to assist a policyholder in establishing if they have a valid claim, especially in circumstances like subsidence claims (which isn't the case here) where it might be difficult for a consumer to evidence this. I'm satisfied, in the circumstances of this complaint, that RSA has taken reasonable steps to assist Mr P. It did appoint its experts to try and assist him, however it wasn't able to find a specialist supplier to assess the equipment, which Mr P says he's had for more than 35 years.

I also don't think it would be reasonable to require RSA to pay upfront for the expert Mr P has found himself. This is because if that expert finds the damage isn't covered by the policy, RSA will have incurred a loss on a claim that it didn't need to pay. However, we would expect, if Mr P's expert confirms there *is* damage which is covered by the policy, that RSA reimburse Mr P for the cost of that report.

I understand Mr P says that paying upfront isn't an option for him, as he can't afford to do so. But having considered the matter, given the age of the hi-fi system and the apparent lack of visible damage, I'm not persuaded it would be reasonable to ask RSA to pay Mr P upfront for his expert to review the hi-fi.

Mr P says he's realised, in making this claim, that he has a single item limit on the policy of around £2,000. He says that is wrong because the hi-fi system cost him around £15,000 when he bought it in 1988, and his single item limit was higher then. I can't see that RSA addressed this part of his complaint specifically, however I can see that the single item limit is clear on the renewal letter sent to Mr P in 2023. If Mr P felt that limit wasn't suitable for him, he could have looked for alternative insurance with a higher single item limit. Or he could have declared his hi-fi as over the limit to see if RSA would insure it for the full amount, I can't see that Mr P did this. From what I've seen I'm not satisfied RSA has made an error in relation to the single item limit.

Following our Investigator's view RSA has agreed to pay £200 compensation for the disappointment it caused in not being able to assist Mr P further. I'm satisfied it doesn't need to do anything more to put matters right. As such, RSA will need to pay £200 compensation to resolve the complaint.

My final decision

My final decision is that Royal & Sun Alliance Insurance Limited needs to pay £200 compensation to resolve the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mr P to accept or reject my decision before 12 March 2025.

Michelle Henderson
Ombudsman