

The complaint

Mr B complains about how Royal & Sun Alliance Insurance Limited (RSA) handled a claim he made on his buildings insurance policy.

Reference to RSA includes its agents.

What happened

In March 2023 Mr B purchased a property which was subject to an ongoing subsidence claim with RSA. RSA agreed to assign the benefits of the claim to Mr B.

Mr B complains about the progress made on that claim. He's said there were delays in agreeing a scope of works and he had to continually chase for updates. He also says there were delays in RSA appointing a specialist to look at potential asbestos containing materials.

Mr B says he also had to appoint his own structural engineer to assess the damage in December 2023, because it looked to be getting worse and he felt this was the only way to progress the claim.

He also complains that initially RSA declined his claim for alternative accommodation. And that when it did agree to reimburse him for rent, storage and removal charges, it delayed that payment too.

Mr B has said the whole experience has caused him significant distress, to the point it's affected his health. He also says it's been hugely inconvenient to him, because he thought the claim would have been sorted by the time he was ready to move in to the property – which wasn't the case.

RSA looked into his complaint and issued its final response in April 2024. It agreed it had caused delays and that this would have had significant impact on Mr B's daily life. It paid 8% simple interest on the sums it had delayed paying Mr B. And it paid £1,500 for the distress and inconvenience caused.

Mr B didn't think this was enough and brought his complaint here. He's said the whole situation has been much more distressing for him and thinks RSA should cover the bills he's been paying at the property.

Our Investigator didn't recommend the complaint be upheld. They stressed that they agreed RSA hadn't handled the claim well, and that the impact of that on Mr B was significant. But they were satisfied that what RSA had done, to put things right up to the point it sent its final response letter was reasonable.

Mr B didn't agree and asked for an Ombudsman's decision.

To be clear, Mr B has further complaints relating to this claim, but they don't form part of this decision. This decision considers only the events between March 2023 when Mr B bought the property and became the beneficiary of the claim to April 2024 when RSA sent its final response.

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.

Having done so, I'm not upholding it. I understand this won't be the answer Mr B was hoping for. And like our Investigator, this doesn't mean I think RSA has treated him fairly throughout. I don't. Neither does RSA itself. What it means though is that I'm satisfied, in the scope of the complaint I'm looking at, that RSA's actions to put things right are reasonable.

I've considered everything that's been sent to me from both parties. I'll not be commenting on every bit of evidence or argument presented. This isn't meant as a discourtesy, rather it reflects our role as an informal service. I'll comment on what I consider key.

Here, much of what happened isn't in dispute. RSA has acknowledged delays with the scope of works, the potential asbestos, and the general progress of the claim. It's also acknowledged its communication has been poor with Mr B needing to do much more chasing than reasonably expected.

RSA has also acknowledged it incorrectly declined assistance to Mr B in relation to alternative accommodation. It's since put that right, refunding Mr B for the rent, storage fees and removal costs. It's added interest to this payment too, which is what we'd expect to see.

Where there remains a dispute is whether RSA needs to pay bills at the property. RSA has said it will consider these if Mr B can show he's been paying for the services at two locations, i.e. the risk address and his alternative accommodation. I'm satisfied that's reasonable.

The key element that remains in dispute though is the compensation amount RSA has made. It's paid £1,500 and thinks that's reasonable. Mr B disagrees and has pointed to the effect this has had on his health, which he says has led to him having seizures and not being able to drive for a year as a result.

I don't doubt what Mr B says about the impact he feels this situation has had on his health. But it's unlikely we'll ever know how much of a contributory factor this claim had on his health. What's clear though, is that the impact has been significant.

Mr B purchased the property with an ongoing subsidence claim. There was always going to be a level of distress and inconvenience in dealing with that claim. This has however, clearly gone beyond the inconvenience, disruption and frustration that could be reasonably expected for a claim of this nature. I think he could have reasonably expected to have moved into the property earlier, and at the very least that the damage would be addressed and fixed promptly. That hasn't happened.

It's very difficult to quantify the distress someone's been caused, that's often a very personal opinion, and I appreciate that Mr B feels strongly that RSA's offer isn't enough. However I'm satisfied it does sit in line with where we'd expect it to. The impact has been ongoing for a number of months and it's disrupted Mr B's daily life considerably. But, I'm satisfied RSA's offer of compensation is fair and reasonable in all the circumstances of this complaint.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or

reject my decision before 7 April 2025.

Joe Thornley
Ombudsman