

The complaint

Ms H complains that Royal & Sun Alliance Insurance Limited (RSA) declined her property insurance claim.

What happened

Ms H moved into a new property and took out a home insurance policy with RSA. A home survey was conducted, and the surveyor identified an issue with the property's gable wall render, which was thought to be cosmetic.

Ms H contacted RSA for advice in July 2024 and asked whether they would provide cover for a claim in the event the issue proved to be more extensive than a cosmetic one. RSA said they couldn't provide a claim outcome on an unknown situation and said Ms H would need to raise a claim and have the issue investigated.

Ms H said the surveyor returned to inspect the wall and maintained their opinion – so she had a contractor attend the property to complete work on the wall. But once the render was removed, more serious issues were identified; the gable wall was found to be partially collapsed, and the cement and mortar had deteriorated.

Ms H got back in touch with RSA in August 2024 to make a claim for the damage, and RSA had their own surveyor inspect the property. But RSA ultimately turned the claim down and said the damage couldn't be attributed to a single, one-off insured event, and was instead consistent with gradual deterioration over time. RSA also said there wouldn't be cover for the gable wall under Ms H's "Home Emergency" insurance, which they said provides for issues with a home's heating system, or an issue with its plumbing and drainage, for example.

Ms H raised a complaint, but RSA didn't uphold it. They maintained there was no cover under the Home Emergency section and explained the policy didn't cover everything that a customer might regard as an emergency – only the items listed. RSA also said they maintained their outcome on the building damage claim due to the issue not being a one-off event. RSA said they were satisfied they correctly informed Ms H they were unable to confirm cover for an unknown event when she spoke to them on the phone.

Ms H remained unhappy with RSA's response, so she brought it to this Service. She said RSA should have told her there wasn't any cover for the claim when she contacted them in July 2024. She said if they had told her they wouldn't cover it, she wouldn't have made the issue worse by having a contractor remove the wall's render – and instead would have put the property back on the market.

An Investigator looked at what had happened but didn't recommend the complaint be upheld, as he didn't think RSA had acted unfairly. He said it was standard industry practice for an insurer to need a claim to be made and to investigate that claim before they could confirm whether there was any cover. He also said RSA had acted fairly, and in line with the policy's terms, by declining cover for an issue that was not a one-off event.

Ms H didn't agree with the Investigator's outcome – she said she wasn't aware of the extent of the problem when she purchased the property, and if she had been, she wouldn't have purchased the property at all. Ms H also said she felt the policy wording was vague, and when she spoke to RSA, they didn't properly explain to her that her claim wouldn't be covered. She maintained that if they had explained what the policy did and didn't cover, she would have been able to put the house back on the market prior to any work on the wall commencing.

Ms H asked for an Ombudsman to consider the complaint – so it's been passed 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.

I'd like to start by reassuring both parties that, although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that has been provided. This isn't meant as a discourtesy – but instead reflects the informal nature of this Service. So, while I may not comment on each and every point made, or piece of evidence provided, I have taken it all into account.

But having done so, while I'm sympathetic of the situation Ms H has found herself in, through no fault of her own, I've decided not to uphold the complaint, for broadly the same reasons as the Investigator.

I've started by looking at whether it was fair for RSA to decline cover for the building damage claim, so the starting point is the policy's terms. RSA says that the damage is not something the policy will cover, as it's the result of consistent with gradual deterioration over time - they've relied on the following exclusion:

“Any loss, damage, liability, cost or expense of any kind directly or indirectly caused by or resulting from:...

any damage that occurs over time as a result of normal use or ageing including fading, corrosion, rusting, damp, decay, frost, fungus, mould, condensation or deterioration.”

This is a fairly common type of exclusion in most property insurance policies, so I don't think it's unusual, provided RSA applied it fairly. And given the damage to the gable wall was found to be an existing issue that had occurred over an extended period, I'm satisfied RSA has shown the exclusion would apply to the damage to the gable wall. And so, it follows I find that RSA fairly relied on this exclusion to decline cover.

Ms H has said this exclusion wasn't highlighted to her, and if it had been, she could have taken a different course of action. But in the event Ms H's attention was specifically drawn to the exclusion, I don't think this would have changed the outcome of the claim, and I'm not persuaded she would have taken a different course of action.

I should start by saying that during the call with RSA, while they didn't specifically refer Ms H to the written exclusion, or read it out verbatim, they did explain generally that wear and tear wasn't covered. So, I'm satisfied Ms H was told the policy excluded this type of damage. But Ms H didn't know what type of damage was present when she asked RSA to comment on cover under the policy. That's because her property survey report had only highlighted cosmetic issues and the full extent of the problem hadn't been discovered. Ms H specifically

recognises this when she says at that point in time, a claim hadn't been made. So, I'm ultimately not persuaded that Ms H would have taken any different action even in the event that the specific exclusion was highlighted to her.

In relation to cover under the Home Emergency section of the policy, I also think RSA acted fairly by informing Ms H the issue with the gable wall wouldn't be covered. I say this because this section of cover provides advice and assistance for situations such as a burst pipe, or breakdown of a boiler. But there's no cover for the type of damage Ms H was claiming for under this section of the policy. So, it follows I'm satisfied RSA correctly identified there would no cover here.

The second complaint point is the information RSA gave Ms H. In short, Ms H says that if RSA had explained they wouldn't provide cover for the claim, she could have not undertaken further works and could have instead sold the property. I've considered the claim history and Ms H's testimony in detail here, and I've listened to the phone call between Ms H and RSA. But I'm afraid to say I'm not persuaded this is a fair and reasonable conclusion to reach.

When Ms H contacted RSA in July 2024 to ask about the scope of cover under her policy, RSA was required to provide information that was clear, fair, and not misleading. RSA ultimately said they couldn't provide a claim outcome until a claim was actually made and they could inspect the issue.

I appreciate Ms H says that if RSA had told her they wouldn't cover her she could have sold the property. But neither Ms H nor RSA were aware of the extent of the issue at that stage, so I don't find it unreasonable that RSA weren't able to provide a claim outcome on a hypothetical situation. I take on board that it may have been possible for RSA to provide a claim outcome on the basis that Ms H's surveyor had outlined possible outcomes once the removal of the render had taken place, but that is not the case here. And the fact remains that Ms H was relying on the comments of her surveyor who had told her the issue was likely cosmetic in nature only.

I don't find it unreasonable for RSA to require more information on an issue before being able to provide a claim outcome on what they could cover. RSA would have been required to provide a list of hypothetical situations and what each of these may result in, if found. But I think it would be disproportionate to require an insurer to do this. Instead, RSA explained that wear and tear wouldn't be covered, and Ms H should consult her policy documents to confirm what it provided cover for.

I ultimately find that the information RSA provided was clear and not misleading, so I don't think they did anything wrong by explaining that Ms H would need to raise a claim before they could provide an answer on coverage.

I note Ms H also said that the surveyor who completed the report came back out and had another look at the wall, but maintained that the problem was most likely superficial and replacing the render would be sufficient. She said that because she was reassured by the surveyor, she gave the go ahead for the plasterers to proceed with the work.

This set of events is not something RSA had any involvement in, so I can't reasonably conclude they did anything wrong. And while I do sincerely appreciate that Ms H says she was unaware of the damage to the wall prior to work commencing, and feels she was misled by the surveyor, I can't fairly attribute this to anything done by RSA.

I was very sorry to hear about the impact this situation has had on Ms H, and I recognise how distressing it must be. But having considered the matter very carefully, I can't fairly

require RSA to pay the claim. I recognise this isn't the outcome Ms H was hoping for, but I hope my decision explains why I've reached the outcome I have.

My final decision

For the reason's I've given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 13 February 2025.

Stephen Howard
Ombudsman