DRN-5246411

## The complaint

Miss K complains about Royal & Sun Alliance Insurance Limited's ("RSA") handling of a claim she made on her home insurance policy for damage caused by an escape of water.

## What happened

Miss K's home suffered damage to the ground floor in January 2024 following an escape of water. After she contacted RSA to claim, it carried out drying and strip out works. For most of this time, Miss K and her family remained in the property, with RSA arranging alternative accommodation for a single week towards the end of the drying.

RSA compiled a scope of works, but Miss K disputed it as she didn't think it include several items she believed had been damaged from the incident. She complained about this, and about RSA not moving her and her family into alternative accommodation earlier on.

RSA provided a final response partially upholding Miss K's complaint. It paid Miss K £500 for several service issues, including not arranging alternative accommodation earlier, and it also backdated a disturbance allowance payment to the date tiles were uplifted in Miss K's home. However, RSA didn't agree to cover the cost of door frames, anti-fracture matting, rectifying an issue with a misaligned dishwasher, and full replacement of kitchen carcasses.

Our investigator was satisfied the disturbance allowance, and £500 compensation were reasonable for the service issues, and she wasn't persuaded RSA should include the cost of the kitchen carcasses or straightening the dishwasher in the claim. But she said RSA should cover the cost of the anti-fracture matting, and the door frames.

RSA didn't agree, so the complaint was referred to me to decide. I issued a provisional decision upholding the complaint and I said:

*"Alternative accommodation and disturbance allowance*

*Miss K and her family were placed in alternative accommodation between 1 March 2024 and 8 March 2024. But Miss K says RSA should have provided alternative accommodation from 18 January 2024 until her home was reinstated.*

*RSA said it failed to identify alternative accommodation was required when the strip out works started. But it didn't agree it was unfair for it to decline to offer alternative accommodation when the reinstatement works were being undertaken.*

*According to the policy terms and conditions, the additional cost of similar short-term accommodation will be provided if the home becomes uninhabitable due to an insured event.*

*RSA agreed that alternative accommodation should have been offered when the strip-out works started on 7 February 2024. From this date the property had stripped out flooring with bare concrete exposed throughout the ground floor. I think this bare flooring meant the property reasonably was uninhabitable, as it wasn't safe like this with young children being present in the house. So I think it was unfair for alternative accommodation not to have been*

*arranged when the floor strip out work commenced.*

*I've thought about whether the conditions prior to the strip out work began meant the property was uninhabitable. We'd typically say a property is uninhabitable if bathroom and kitchen facilities aren't functional. But RSA's notes say that Miss K's facilities were functional, and I haven't seen anything to the contrary of this. So I've considered if any other factors reasonably meant the property was uninhabitable prior to the strip out work.*

*I can see an inspection was carried out on 19 January 2024 which noted carpeting in the downstairs office and living room was saturated. This carpeting was stripped out and removed on the same date, and a dehumidifier was installed along with air movers in the office, living room, kitchen and diner.*

*On balance, I don't think the property was uninhabitable before the strip out work. I acknowledge Miss K says there was an impact to her health from the drying equipment, but other than Miss K's own comments, I've seen nothing more showing there was an adverse impact to health caused by the drying equipment. So I don't think I've seen enough to say the drying equipment alone meant the property was uninhabitable, and it isn't unusual that alternative accommodation isn't provided in these circumstances.*

*And I don't think the office and living room alone being uncarpeted would have meant the property was uninhabitable as I think those rooms could reasonably have been avoided and the property still lived in since it had bedrooms upstairs which were unaffected.*

*I've also considered if RSA should have provided alternative accommodation beyond 8 March 2024 when the drying had finished and equipment was removed.*

*RSA said Miss K told it she was prepared to stay in the property so long as the drying equipment had been removed. But I think when Miss K moved back in, the property still had exposed concrete floors as RSA notes say it paid Miss K the costs for floor retiling on 12 March 2024 and that this work wasn't mostly complete until 15 March 2024. So I think Miss K should have benefitted from alternative accommodation for a further week while the property was without proper flooring throughout the ground floor. But I don't think RSA needed to cover alternative accommodation for the full duration of the remediation work after the floor retiling, because it hasn't been shown that the remaining remediation work would have caused the property to be uninhabitable.*

*I can see RSA noted on 8 March 2024 that further disturbance allowance or alternative accommodation would be required when the floor is laid as there will be a period of no access. But I can't see anything showing RSA ever agreed to any further alternative accommodation or disturbance allowance to cover this period or any clear explanation why it didn't.*

*RSA paid Miss K £500 compensation in total for the service issues she experienced including not arranging alternative accommodation earlier. This amount also recognised delays on the claim, Miss K having to chase RSA, and some items being left off the scope of works. Overall, I think the amount is in line with what this Service would award for these kinds of issues and the impact caused by them - including the alternative accommodation aspect. So although I agree RSA unfairly handled the alternative accommodation part of the claim, I think the compensation it paid was fair and reasonable.*

*RSA agreed to pay disturbance allowance from the date the tiles were lifted to the date alternative accommodation was arranged. RSA says it paid a £30 a day allowance based on a rate of £10 per day per adult and £5 a day per child. RSA said because one of Miss K's children was older, it agreed to the adult rate for them meaning it applied the adult rate for*

*two people.*

*Miss K thinks she should have been paid this from the date of incident to the date her home was reinstated. And she says she should have been paid £50 per day per day based on a rate of £20 a day for one adult and £10 a day for three children.*

*Disturbance allowance isn't something which the policy specifically covers. But we generally say it's reasonable for insurers to pay this in circumstances where consumers have incurred additional costs because of a property being uninhabitable.*

*I acknowledge Miss K says the rate paid wasn't enough to feed her family and caused her financial difficulty. But the disturbance allowance isn't intended to replace or cover in full the usual outgoings a family may have for things like food. It's only meant to cover reasonable additional costs they wouldn't ordinarily have incurred. And I don't think Miss K has provided enough to show how or why she incurred costs beyond what the rates RSA paid would cover. So I don't think it was unfair for RSA to apply its normal rate for disturbance allowance.*

*Since the disturbance allowance is only meant to cover additional costs while the property was uninhabitable, I think, based on my earlier findings, it was reasonable for RSA to apply this from the date the stripping out works started to the date Miss K went into alternative accommodation. However, since the property was still uninhabitable when Miss K returned, if it hasn't already done so, RSA should also pay disturbance allowance to cover the week after Miss K returned home while the floor retiling was being carried out.*

*I understand RSA didn't pay any disturbance allowance for the week while Miss K was in alternative accommodation. During this week, Miss K was in hotel accommodation which included the cost of breakfast. But it's likely she'd have incurred additional costs due to being without cooking facilities. So I think RSA should also pay disturbance allowance for the week that Miss K and her family were in alternative accommodation.*

*RSA should also add 8% simple interest per year to any additional disturbance allowance payments made to reflect Miss K should have received these funds earlier. This should be calculated from the date the disturbance ended on 15 March 2024 to the date of settlement.*

*Anti-Fracture Matting*

*Miss S has provided an estimate which says anti-fracture matting "is needed due to the Anhydrite Screed and large format tiles". Miss S also said it's a technical standard for the anti-fracture matting to be installed and has provided an online link she believes shows this.*

*RSA made enquiries with the builder of the home who said it doesn't install anti-fracture matting on concrete floors and only applies this to chipboard floors. The builder also said this matting is not a technical standard unless a natural product such as limestone or marble is being fitted.*

*We would typically expect an insurer's scope of works to be sufficient to allow for a repair to be effective and lasting. If it isn't, we might say the settlement is unfair. So, I've considered if it has been shown the anti-fracture matting is likely necessary for the retiling of the floor to be lasting and effective.*

*Both parties have provided opposing viewpoints on whether it's a technical standard for the anti-fracture matting to be installed. I've looked at the link Miss K provided, but that only shows an index of various technical standards. If Miss K believes one of these standards applies to her circumstances, she will need to specify which one, and provide a copy of the*

*full content of that specific standard. Without that, I'm unable to say it's been shown that it's a technical standard for the anti-fracture matting to be fitted in the circumstances here.*

*I'm also mindful that the builder's comments suggest no anti-fracture matting would have been fitted to Miss K's flooring to begin with given that it isn't a chipboard floor. And Miss K hasn't shown that its absence caused any issues even though the property was completed in 2021. This would seem to indicate retiling along the same lines as before without the anti-fracture wouldn't likely impact the effectiveness or durability of the retiling.*

*On balance, I don't think it's been shown the anti-fracture matting is likely needed for the retiling to be lasting and effective. So I don't think RSA acted unfairly by not agreeing to cover the cost of it.*

*Door Frames*

*Although RSA has included the cost of replacing several doors, architraves, and skirting boards in the claim, it didn't agree to include the cost of replacing door frames. It said that although architraves had split, the door frames were still fully intact and would just require a rub down and redecorating.*

*RSA would only need to replace the door frames if they had been damaged from the escape of water to the extent that replacing them would be needed to return the property to the condition it was in prior to the incident. So, I've considered if that's been shown.*

*Miss K said that some of the door frames had split from the bottom. I've looked at all the photos Miss K and RSA provided. But I can't see any clear signs that the door frames, rather than the architraves, have suffered any splitting. The only damage I can see on the photos specifically to the door frames is paint chipping, which redecorating would reasonably seem likely to resolve. So I don't think it was unfair for RSA not to cover the cost of replacing the door frames.*

*Kitchen carcasses and dishwasher*

*Miss K has provided a video showing the amount of water which was present after the leak. The depth of the water appeared to be about one inch or so, but the kitchen carcasses are suspended on plastic plinths which raised them above the water level.*

*RSA says it agreed to replace all kitchen items that met water – which included plinths, end panels and filler panels. Miss K says the kitchen carcasses included a support on each carcass that is on ground which could rot, compromising the life span of the carcasses.*

*It's clear from the photos and video Miss K provided there are some wooden panels underneath the carcasses which are perpendicular to the wall and extend towards the front of the carcasses. As these panels are touching the floor, it seems likely to me they'd have been exposed to water similar to the other panels RSA already agreed to cover. And it doesn't seem RSA has included these sections beneath the carcasses since they don't fit the description of end panels or filler panels. So I think RSA should agree to include the cost of replacing the panels which were on the floor underneath the carcasses.*

*But it hasn't been shown the remainder of the kitchen carcasses have been water damaged and it appears they didn't come into direct contact with water since they look to have been suspended above the water level. So, I don't think it was unfair of RSA not to have agreed to replace the kitchen carcasses in their entirety.*

*Miss K says that the dishwasher is now misaligned due to water damage and the door isn't*

*closing properly. RSA says this is a pre-existing issue cause by a fixing becoming loose and needing tightening.*

*I can see from the photos the dishwasher is resting on what appears to be adjustable metal legs and I don't think it's been clearly shown that water damage has caused the dishwasher to become misaligned. So I don't think RSA's response regarding the dishwasher was unfair."*

RSA didn't provide any response to my provisional decision. Miss K replied disagreeing with the provisional decision and in summary she said:

- The door frames had bubbling to the wood which she thought would reduce the lifetime of the materials. Miss K provided a photo she believes shows this.
- She has already had the floor tiling redone but was forced to ignore the advice she was given by the fitters to have the tiles decoupled.
- She and her family had to spend three months living with the noise and heat produced by numerous dehumidifiers running all day, and these conditions affected the health of her children.

**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've looked at the photo Miss K has provided which she believes shows the wood in the doorframes was water damaged. It's clear there's some chipping and flaking to the paint, but I don't think it's apparent from this photo, or the others I've seen, the wood itself is warped or damaged in any way. So, I'm not persuaded it's been shown RSA need to do anything more than redecorate the frame to provide a lasting and effective repair.

I don't dispute Miss K was recommended by her tiler to have anti-fracture matting installed. The key question here is whether it was necessary for this matting to be installed for a repair to be lasting and effective.

Where there is conflicting evidence, I must determine on balance of probability what I think is most likely in the circumstances. The purpose of insurance is to put the insured back in the position they were in before a loss and since the tiles didn't originally have the matting installed originally, I think RSA has done that. I acknowledge the comments provided by the home builder and the tiler Miss K went to, but I don't think it has been shown the tiling installation without the anti-fracture matting went against building standards. And, on balance, I don't think there's enough here to show the anti-fracture matting was a requirement for the repair to be lasting and effective.

I've considered Miss K's comments about the living conditions in the property. And I sympathise that Miss K and her family were left for a time to live in poor conditions at the property. But I don't think there's anything more here which I didn't already think about when I reached my provisional decision. So, I think a fair and reasonable outcome to this aspect of the complaint is for RSA to pay some additional disturbance allowance plus interest to supplement the disturbance allowance and £500 compensation it previously paid.

**Putting things right**

I require RSA to do the following:

- Pay Miss K disturbance allowance of £30 per day for the time she was in alternative accommodation. And if it hasn't already done so, pay disturbance allowance of £30 per day for the week after Miss K left alternative accommodation while the floor retiling was being carried out. RSA should apply 8% simple interest per year to these payments calculated from 15 March 2024 to the date of settlement.

- Cover the cost of the wooden panels which were on the floor underneath the kitchen carcasses.

**My final decision**

My final decision is I uphold this complaint and require Royal & Sun Alliance Insurance Limited to carry out the steps I've set out in the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 6 February 2025.

Daniel Tinkler
**Ombudsman**