

The complaint

Mr S complains that Royal & Sun Alliance Insurance Limited (RSA) is no longer honouring its agreement to insure his property.

What happened

The background of this complaint is known in detail to the parties involved, so I've summarised what I've found to be the key points.

- Mr S has held property insurance with RSA for several years, during which time Mr S has made some claims for subsidence related damage which have been dealt with under the policy.
- In 2008 RSA provided Mr S with a letter stating that it would, subject to normal underwriting considerations, be prepared to continue to offer standard buildings insurance cover for Mr S's insured property (to include the subsidence, heave or landslip perils) at market rates, to him or any succeeding owner.
- Two weeks before Mr S's 2024 renewal date, RSA informed him that it would not be offering renewal cover as it was exiting the market, but that it was looking to find a new solution for him with another insurer and that while it did this, he would remain on cover with it until at least February 2025. It said it would extend cover past this point if required.
- Mr S didn't think this was fair and complained to RSA that it should honour its initial agreement made in 2008. RSA maintained its position. It said it was doing all it could to find an acceptable resolution to ensure he had cover for his home, which included subsidence cover for the foreseeable future and that it would continue to update him on progress. It paid him what it said was an interim goodwill gesture of £75 for the time the process was taking.
- Mr S brought his complaint to this service. RSA didn't provide us with its files in response to the complaint, so our Investigator had to base her findings on the information available. And in doing so, she thought RSA was taking reasonable steps in line with the guidance set by the Association of British Insurers (ABI) to provide Mr S with continued subsidence cover. And she thought the £75 compensation was fair for the time the process was taking.
- Mr S disagreed and so the complaint has 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'll start by saying that as at the time of writing this final decision, RSA still hasn't provided its file on the case despite several requests to do so. Therefore, my findings in this case are

based on the limited information that *is* available and that has mainly been provided by Mr S.

It can often be difficult to get new insurance for a property that has been damaged by subsidence and if it is possible, it's often very expensive. The ABI guidance on Continuation of Cover is intended to ensure consumers with previous or current subsidence claims can continue accessing subsidence cover on reasonable terms. So, I've kept that in mind when deciding this case.

From what I've seen in this case, Mr S does still have cover with RSA (including cover for subsidence) but he has been told that this will be offered on a somewhat temporary basis while RSA tries to find another insurer to take over the cover as its withdrawing from the market. Mr S doesn't think this is fair as it offers him no guarantee regarding his cover, and he thinks it could make it difficult to sell his house should he wish to do so.

Insurers can choose to withdraw from the market – for example deciding to no longer provide domestic buildings insurance policies. It's not this service's role to tell an insurer what policies it should offer to the market – that's a choice for the insurer to make. But where a consumer has had a previous subsidence claim and their insurer decides to no longer offer home insurance policies i.e., withdrawing from the market, we can look at whether those affected consumers have been treated fairly or whether they have been unfairly disadvantaged by insurers making those choices.

In these types of scenarios, we generally think the insurer should take reasonable steps to ensure the intention of the ABI guidance is achieved despite their withdrawal. There are some options insurers have previously decided to take to achieve this, for example, making an exception for affected consumers and continuing to insure them, or arranging with another insurer to take over the affected policies.

In this case RSA says that it is trying to find another insurer to take over Mr S's policy. This is taking longer than it would have liked, so to ensure Mr S isn't without cover while this is ongoing, it's continuing to cover him – with the most recent extension of this cover being until 10 May 2025. RSA previously said it will continue to review this on an ongoing basis, extending cover if required. So, from what I've seen, at this point in time, RSA appears to be taking reasonable steps to ensure the intention of the ABI guidance is met, as I'd expect.

I understand Mr S would like more certainty regarding his future cover – especially if he decides to sell his house in the future. But on balance of the information available to me in this case, and my expectations of RSA in line with the ABI guidance as set out above, I don't think there's more I could reasonably direct it to do at this stage that it hasn't already done in the circumstances. And I can't reasonably make directions on hypothetical scenarios that haven't yet occurred, such as a potential house sale.

At this point in time, RSA has said it will keep Mr S updated on the progress of finding a new insurer and has so far, continued to keep him on cover while the process is ongoing. It also paid him what it called an interim payment of £75 compensation to acknowledge the time taken at that stage and has said that upon final resolution of the matter it will consider further compensation. This doesn't seem unreasonable based on the information that's been made available to me at this stage. So, I won't be directing RSA to do anything further in this case.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 April 2025.

Rosie Osuji
Ombudsman