

The complaint

Ms S complains that repairs carried out following a claim on her Royal & Sun Alliance Insurance Limited ('RSA') home insurance were inadequate.

What happened

Ms S lived in an apartment building where the buildings insurance was provided by RSA. She had separate contents insurance with another insurer. In January 2021, she told RSA her flat was "*catastrophically flooded*" by a major leak from the flat above. RSA appointed its loss assessor (LA) to handle the claim.

A brief timeline relevant to the complaint is:

- January 2021. Damage to Ms S's home.
- February 2021. LA asks Ms S to get quotes for replacement flooring.
- December 2021. Drying work signed off.
- April 2022. Some repair work begins.
- Summer 2022. Damaged fixtures and fittings stripped out.
- October 2022. Main reinstatement works begin.
- November 2022. RSA pays Ms S £1,534.14 for new flooring.
- February 2023. Flooring fitted by supplier. Ms S raises issue of "*gaps*" between the flooring and architrave.

Ms S told RSA that the new flooring was uneven because there was a drop of approximately 20mm between the hallway and the bathroom and en-suite. This was a major problem for Ms S because her flat had to be wheelchair accessible. She asked the LA to inspect the flooring and propose a solution. In the meantime, she says she had no option but to move out of her home – she'd been living in alternative accommodation while repairs were ongoing – and put her belongings in storage.

The LA initially agreed to review the flooring. In July 2023 it apologised to Ms S for the delay arranging this and said its project manager (who I'll refer to in my decision as 'M') would contact her to arrange a visit "*within the next 1-2 weeks.*"

However, in August 2023 RSA told Ms S:

- It cash settled this part of her claim by paying her £1,534.14 on 22 November 2022.
- Its project manager (M) said the difference in height between the hallway and bathroom "*may be due to the choice of flooring.*"
- M had "*re-laid the sub-floors as they were previously... so they've carried out what was required.*"
- The uneven level between hallway and bathroom was the supplier's fault when its fitters installed the new flooring.
- While M had initially offered to review this, it later said it didn't think this would help.
- It concluded: "*we don't believe the flooring issue is anything to do with any works*"

carried out by our preferred contractors". It advised Ms S to complain to her flooring supplier.

- It apologised for delays responding to emails/phone calls and offered her £200 for this.

Ms S was unhappy with this and brought her complaint to this service. She says:

- RSA was responsible for returning her flat to the condition it was in before it was flooded. This includes the flooring.
- Neither RSA nor the LA gave her any instructions about flooring levels, so she couldn't have given this to her supplier.
- M promised to review this but didn't.
- She'd like RSA to restore her flat so it's wheelchair accessible.
- She was forced to move into her partner's family home, over two hundred miles away.
- She also incurred removal and storage costs for her belongings.

Our investigator didn't recommend that the complaint should be upheld. He found that the new sub-floor – chipboard plus insulation laid over concrete – had been installed correctly by M, but the flooring itself – Luxury Vinyl Tile (LVT) – was installed by Ms S's own supplier. He accepted RSA's statement that Ms S had cash settled this part of her claim and arranged installation directly with the supplier, so he didn't think RSA should be liable for this. He agreed that asking M to inspect the flooring wouldn't have added anything useful because it had diagnosed the problem. He was satisfied that RSA's £200 offer for poor communication was fair.

Ms S disagreed with our investigator, so the complaint was passed to me to consider.

My provisional decision

I issued a provisional decision on this complaint on 17 January 2025. I said:

"First, ombudsmen decisions are published so are written in a way that prevents the customer from being identified. Ms S's personal circumstances are known to both parties so I'm not going to set them out in detail. If I'm vague about them it's to keep Ms S from being identified, not because I've ignored them or think them irrelevant.

Second, Ms S made several complaints to RSA about its handling of her claim. These covered issues such as alternative accommodation, delays starting reinstatement works, issues with poor workmanship, and snagging issues. However, her complaint to this service was about the new flooring, so my decision focuses on this.

This was a complex project with several different companies involved. These included RSA, the LA¹, the project manager (M), RSA's main contractor (who I'll refer to in my decision as 'P'), the managing agent for Ms S's building, the managing agent's insurance intermediary, and Ms S's contents insurer. I've referred to the appropriate company where I think it's relevant but, for the avoidance of doubt, RSA is responsible for the actions of its LA and contractors, including M and P. Most of the evidence in this case has been provided by the LA ('the LA file').

¹ The lead LA changed in July 2022 which also appears to have complicated the claim.

RSA has argued that it cash settled Ms S's claim for her new flooring, so isn't responsible for its installation. Ms S says RSA was responsible for restoring her home after it was flooded, including making sure the floor levels were returned to their former state.

Page 7 of the policy booklet allows RSA to offer a cash settlement but suggests this would be at the policyholder's request: "Where we can offer repair or replacement through a preferred supplier but, on request, we agree to pay our customer a cash settlement, then payment will normally not exceed the amount we would have paid our preferred supplier." In practice, RSA might sometimes propose this – for example, if it means repairs are done quicker – but generally I'd expect this to be agreed by both parties.

Ms S says: "I did not ask for a cash settlement. In fact I asked, on more than one occasion, for [M] to do the floor fitting in the hallway and kitchen. This was refused by [the LA]. I think this is broadly supported by the LA file. For example, in an 18 August 2022 email to the LA she said: "In the circumstances it would be easier if [P] laid the same flooring throughout the flat and the charge for the bedrooms and the living room is back charged to me... [to] avoid me sending in another contractor to lay the flooring while [P] are trying to finish off the works."

RSA told us: "it was [the LA] who subsequently provided a report recommending payment to the insured for this element of the work which RSA issued. [The LA] should have details on why cash settlement agreed as opposed to reinstatement prior to payment." It also told us that, once it had established the flooring was covered by Ms S's policy², it agreed to cash settle based on the quote from her supplier "to expedite completion of repairs."

I don't think that's right. Discussions about Ms S's new flooring started in April 2022 and continued until it was laid in February 2023. The only references to a cash settlement in the LA file relate to the reinstatement of Ms S's kitchen, which she declined (emails, August 2022). This is confirmed by LA's internal emails ("we are not cash settling", 23 September 2022) and notes ("Confirmed that we are not cash settling", 26 September 2022).

I don't see any evidence that the LA ever proposed sourcing new flooring through its own supplier or explain why a cash settlement might be appropriate. In fact, using Ms S's supplier potentially delayed installing her LVT flooring because it couldn't arrange an appointment to do this until February 2023, three months after RSA approved the cost.

The LA file also shows that Ms S understood RSA would reimburse her for paying the supplier. Her email to LA on 27 November says: "I have paid in full on my credit card for the flooring so I hope to receive the contribution from RSA before I am due to pay the credit card bill". I'm satisfied RSA authorised and paid this in November 2022³.

So I don't agree with RSA that Ms S's discussions with the LA show why a cash settlement was agreed. In fact, I think the LA file shows Ms S rejected a cash settlement when this was suggested for the kitchen. I don't think the LA ever explained that choosing the LVT flooring was a cash settlement, or that this meant she was responsible for the supplier's work.

I think Ms S expected the LA and/or M to manage the installation of her new flooring because:

² There appears to have been a disagreement between insurers about whether the flooring should be covered under Miss S's buildings or contents insurance. This was resolved when RSA accepted it was liable for the new LVT flooring.

³ RSA sent us the 8 November supplier quote for the LVT flooring (£1,534.14). It also supplied a screenshot showing a payment for the same amount on 22 November 2022.

- The LA was handling her claim and responsible for the reinstatement works. RSA confirmed: “The repairs were ongoing at the property until February 2023 and therefore the flooring was still to be laid hence file still open and [LA] still involved with reinstatement works.”
- M was still involved and on site. Given the complexity of the project, it would be understandable if Ms S thought it was managing the repairs.

The LA file also shows that:

- The LA was aware that “a full strip out of the flooring was completed in this property” (LA email to RSA, 9 November 2022).
- The LA was aware from a very early stage that Ms S’s flat needed to be wheelchair accessible. She explained this very clearly in early discussions about alternative accommodation in February 2021.
- The supplier invoice confirms it only fitted the LVT flooring.

Given LA was still on site and involved with the work, I don’t agree that cash settling this part of the claim means RSA isn’t responsible for ensuring the repairs were completed correctly. I think it simply means RSA reimbursed Ms S for the cost of her LVT flooring. I can’t reasonably expect Ms S to have the technical expertise to manage this part of the reinstatement. And I don’t think she could have been aware that her flooring choices might result in this sort of height difference. Given the complexity of the repairs and different flooring materials – LVT in the hallway, tiles in the bathroom – I think the LA should have ensured the repair work was satisfactory.

M’s February 2023 Schedule of Works shows it installed the sub-flooring throughout the flat, as well as the tiled bathroom floor. It isn’t clear why the LA didn’t ask M to install the LVT flooring as well, as Ms S requested. M also questioned this. In an undated email to RSA⁴ it said: “I believe that the person who was laying the finished flooring (**which for some unknown reason we were not appointed to do**) should have noted that the levels did not meet” [emphasis added]. I think this suggests M believes it should have installed the LVT flooring.

RSA told Ms S: “This is not an [M] issue. It might be regarded as the floor fitters issue for not thinking about the levels, but it depends what they were instructed to do.” I find no evidence that anyone told the floor fitters what to do. And I find no evidence the LA ever highlighted this as a potential problem. In the circumstances, I’m not persuaded that the flooring supplier should have been responsible for ensuring the different floorings were level.

Ms S first raised the issue of uneven floors in a 21 September 2022 email discussion about supplier quotes. I think this might have been an opportunity for the LA to either investigate this or advise Ms S that her supplier would need to take this into account during installation. There’s no evidence the LA ever explained to Ms S that the flooring levels would need to be a factor in her discussions with her supplier. RSA confirmed to us: “We did not provide any instructions to [Ms S]. We became involved when we sent the estimates.”

The earliest evidence of an issue with the new flooring was in February 2023, when Ms S pointed out “gaps between architrave and floor boards”. A 19 March 2023 note by the LA says: “Query on gaps left by change of material to floor – with Insurers for consideration when costs known/ref to Contractor but may need new job set up for it.”

An email from Ms S, forwarded to RSA by the insurance intermediary on 24 May 2023 explicitly set out the problem: “Unfortunately, we are not back in my flat as it is no longer

⁴ Possibly July 2023.

accessible for [partner] as a result of the 20mm difference in the height level between the tiles in the bathroom and the LVT in the rest of the flat.” It’s clear from the context of the email that Ms S sent this sometime before 24 May.

In summary, I find:

- RSA was aware that Ms S needed her flat to be wheelchair accessible.
- M installed the sub-flooring throughout the flat as well as the floor tiles in the bathroom.
- The LA asked Ms S to get quotes for the new flooring in the hallway and kitchen.
- RSA approved the supplier quote in November 2022.
- None of RSA, the LA, or M gave either Ms S or her supplier instructions about flooring levels.
- The LA and M were still managing the reinstatement works when Ms S’s supplier fitted the flooring.
- The flooring level was uneven, meaning the flat wasn’t wheelchair accessible.

I agree with Ms S that RSA was responsible for returning her flat to the position it was in before it was flooded. This includes making sure it was wheelchair accessible. For the reasons set out above, I find that RSA’s decision to decline her claim about the flooring was unreasonable and unfair.

M proposed a “straightforward” solution to the problem: “the flooring contractor returns, takes up the LVT floor & disposes if necessary... prepares the surface to the correct height and then renews the LVT.” This seems to be reasonable. Subject to responses to this provisional decision, I intend to order RSA to arrange for this work to be done. RSA should also cover the cost of any consequential damage and reinstatement resulting from repairs to the flooring level. I’d like both parties to comment on this before I issue my final decision.

Finally, it’s clear that this matter has caused Ms S substantial distress over many months. She couldn’t live in her home because it was unsuitable for both her and her partner, and RSA absolved itself of responsibility for this. This was particularly distressing given Ms S’s personal circumstances meant she might reasonably be considered a vulnerable consumer.

RSA told us it has awarded £1,700 to Ms S over the course of her claim, as follows:

- December 2021. £300 for “failings to actively work with the leaseholder in sourcing” alternative accommodation.
- December 2022. £800 for not beginning “meaningful” repairs until November 2022, 11 months after her property was declared dry.
- May 2023. £400 for “poor workmanship and some work still not completed.”
- August 2023. £200 for the three month delay in M’s response to the offer to revisit Ms S’s home to assess the flooring.

However, as I said at the start this complaint focused on the uneven flooring. The payments above show that RSA’s compensation for this element of her claim was £200. The other £1,500 was for other failings in its handling of the claim.

I’ve considered whether £200 is adequate compensation for its failings relating to the flooring. I don’t think it is. I think this was something that could have been resolved relatively quickly when Ms S first raised this in February 2023. I’ve thought very carefully about the levels of award made by this service in similar circumstances. Having done so, I think RSA should pay Ms S £1,000 to reflect the distress and inconvenience it caused her.”

Responses to my provisional decision

RSA didn't respond to my provisional decision.

Ms S provided a detailed response which I've summarised below. As I said in my provisional decision, if I'm vague about certain details this is to keep Ms S from being identified, not because I've ignored them or think them irrelevant.

- She moved back into her flat in March 2023. However, RSA's failure to complete satisfactory repairs forced her to move out again by the end of April.
- She sold her flat in early 2024.
- She did so "*reluctantly*" because she "*didn't have much hope that [her] complaint would be upheld*".
- She continued to pay bills – ground rent, service charge, council tax, and utilities – until she sold the flat.
- She was still living over two hundred miles from her medical and friendship support groups.
- She asked me to order RSA to fund arrangements to allow her to return to her hometown. For example, she'd like RSA to arrange suitable temporary accommodation so she can look for a new flat.
- She thought my proposed award of £1,000 was "*inadequate*" given the situation she still finds herself in, which she says is a result of RSA's actions.
- She believes my proposed remedy that RSA carry out further reinstatement work should be changed to an additional cash settlement.

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'm grateful to Ms S for her response. I'm disappointed RSA hasn't replied to my provisional decision, despite my request for it to do so.

Ms S no longer owns her flat so it's not practical or reasonable to ask RSA to carry out the repairs I proposed in my provisional decision. Ms S recognises this. However, I'm afraid I can't agree to her requests. While I agree with her that RSA's handling of her claim was incredibly poor and caused her to leave her flat less than a month after she moved back home in March 2023, I don't agree that it forced Ms S to sell her home. I think there were other options available to Ms S that didn't include selling the flat and I don't think I can hold RSA responsible for this.

For example, Ms S could have arranged for the flooring to be repaired herself. If she'd done this, I'd have instructed RSA to refund these costs. But as this wasn't a cost she incurred, I'm not going to ask RSA to convert the potential costs of repairing the flooring into a cash payment.

While I recognise that Ms S's personal circumstances make it difficult for her to travel, and she has specific accommodation needs, RSA provided insurance for her apartment building. Its duty to her extends no further. Ms S is responsible for making her own arrangements to find a new home, and I'm not going to ask RSA to fund this.

As I said in my provisional decision, RSA awarded £1,700 to Ms S over the course of her claim for various failings. These included initial problems sourcing alternative accommodation (£300), not starting meaningful repairs until November 2022 (£800), and

poor workmanship/incomplete work by the time she moved back into the flat (£400). These issues weren't part of Ms S's complaint to us so I'm unable to consider them further.

My award was for the failed floor repairs. This was – by far – the most significant problem with RSA's handling of the claim. RSA awarded Ms S £200 because it initially told her M would assess this, then three months later told her it wouldn't. I explained why I thought this was unacceptable and why I thought there were other failings in how it dealt with this element of Ms S's claim.

I've thought very carefully about this. The new flooring was installed in February 2023, Ms S complained about it soon afterwards, and moved out of her flat in April. RSA replied to her complaint at the end of August, more than three months after it told her M would arrange a visit. Ms S didn't bring her complaint to this service until February 2024, shortly before she sold her flat.

I know this matter has been going on since January 2021. However, in the circumstances of this complaint, I only hold RSA liable for the period between the new flooring being fitted until it told her it wouldn't correct this. I'm satisfied £1,000 is fair and in line with what this service would award in similar circumstances.

My final decision

My final decision is that I uphold the complaint and order Royal & Sun Alliance Insurance Limited to pay Ms S £1,000 to reflect the distress and inconvenience it caused her in its handling of this part of her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 4 March 2025.

Simon Begley
Ombudsman