

The complaint

Ms K complains that Royal & Sun Alliance Insurance Limited (RSA) declined a claim she made on her landlord insurance policy.

Reference to RSA includes its agents.

What happened

Ms K holds a landlord insurance policy with RSA. While work was being carried out on her property, her builder noticed a crack in one of the ceilings and suggested she make a claim for the damage.

RSA declined the claim. It said the claim was reported as being made by one of the tenants' contractors while lifting up the boards to top up the insulation. It said the policy excluded damage caused by faulty workmanship and it also excluded damage caused while the property was being repaired.

Ms K didn't think this was fair, she said there may have been another reason for the damage and thought RSA should send a loss adjuster to determine that.

RSA said that wasn't something it was prepared to do but said if Ms K could show what caused the damage it would consider whether the policy provided cover for that.

Ms K didn't agree and complained. RSA didn't change its stance, so Ms K brought her complaint to us.

Our Investigator didn't recommend it be upheld. She thought RSA was fairly declining the claim based on the available evidence and the terms and conditions of Ms K's policy.

Ms K didn't think this was fair and asked for an Ombudsman's decision.

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'll explain why.

The first burden of proof on any claim lies the party making the claim. So here, it is for Ms K to show she's suffered a loss covered by the policy. If she can do that, then the burden passes to RSA to either pay the claim, or evidence why it doesn't need to by fairly relying on a term in the policy.

Here, Ms K has made a claim for damage, and based on her description of the damage, RSA has pointed to two exclusions it feels applies. The first is one relates to faulty workmanship, the second, relates to not being covered for damage caused while the property is being repaired.

I think the first term is hard for RSA to rely on fairly, there's nothing to suggest the workmanship that was being carried out was poor or defective simply because damage has been caused.

But the second term, stating Ms K isn't covered for any damage resulting from "*any Buildings being built, demolished or undergoing structural alteration or repair*" I'm satisfied fairly applies based on Ms K's reporting of the cause of the damage – that it was done while the property was being repaired.

I understand Ms K has said she doesn't know what caused the damage, and that her claim is speculative in that regard. She's said there could have been other causes for the damage and thinks RSA should send someone to assess that.

RSA has said it's not prepared to do that, but it's said it will consider any report Ms K provides it should she want to evidence that herself. I'm satisfied that's reasonable, because as stated above, the first burden is for the claimant to pass.

Therefore, in light of the above, I'm satisfied RSA's decline of Ms K's claim is fair and in line with the terms of her policy.

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 Ms K to accept or reject my decision before 14 April 2025.

Joe Thornley
Ombudsman