

The complaint

Mr B complains about Royal & Sun Alliance Insurance Limited's ('RSA') handling of a claim made on his buildings insurance policy.

References to RSA include its agents.

What happened

Mr B contacted RSA on 28 February 2024 to make a claim on his buildings insurance policy after his home was damaged by an escape of water which caused the collapse of a ceiling.

RSA investigated the claim and agreed to a cash settlement. Following this, additional costs were submitted to RSA by Mr B for consideration and RSA decided to carry out validation checks on the claim. As part of this, RSA were concerned that there had been a non-disclosure by Mr B of a previous claim.

Following these validation checks, which included a telephone interview with Mr B, RSA decided to resume the claim. But a dispute arose around the inclusion of an Indian stone flooring which Mr B said was damaged in the incident and which should have been included in the claim.

Ultimately, after arranging for an inspection to be carried out by a specialist restoration company, RSA decided not to include the stone flooring in the claim, including a cost Mr B had paid to have the floor sanded.

Mr B made a complaint about delays on his claim which RSA provided a final response to on 2 June 2024. Within this final response, RSA agreed it hadn't provided a timely response on several occasions when Mr B had to chase its loss adjuster. In recognition of this, RSA paid Mr B £50 compensation.

Mr B made another complaint about several other issues, including once again delays on the claim, which RSA provided a final response to on 15 August 2024. In this final response, RSA said it had progressed the claim in a prompt manner, it didn't think it had acted unfairly by carrying out checks to validate the claim as these were to ensure the additional costs were consistent with the claim, and it didn't think it had unfairly declined to cover the stone floor as it had appointed specialists who found the moisture levels within the stone were below acceptable levels.

Our investigator didn't think RSA had acted unfairly by declining the stone flooring. She considered the evidence Mr B and RSA had provided but was more persuaded by the report from the specialist RSA appointed which she thought showed the flooring hadn't been damaged from the incident. The investigator also didn't think it was unusual or unreasonable that RSA had carried out checks to validate the claim. However, the investigator thought there had been a delay progressing the claim at the start, and a further delay due to RSA mistakenly thinking Mr B hadn't disclosed a previous claim. She recommended RSA pay Mr B a further £200 compensation for the distress and inconvenience it had caused through its handling of the claim.

RSA agreed to this recommendation, but Mr B did not. In summary, he said the delays at the start of the claim had resulted in him living in challenging conditions, he incurred a fee in requiring his loss assessor to be present at the validation interview RSA carried out, and that he still thought RSA should still pay for the restoration of the stone floor.

Because Mr B didn't agree, the complaint was referred 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.

Having done so, I've decided to uphold this complaint in part. I'll explain why.

I should start by saying while I've read and considered everything Mr B and RSA have provided, I won't be commenting on every point made. I'll instead concentrate on what I consider are the key points I need to think about for me to reach a fair and reasonable decision. This isn't meant as a discourtesy to either party, but instead reflects the informal nature of this Service.

I've begun by considering if it was unfair for RSA to decline the stone flooring.

The initial estimate produced by RSA's loss adjuster following their inspection on 3 May 2024 included an entry for the stone floor covering, but Mr B said this was never settled in the claim.

A further inspection on the floor was carried out on behalf of RSA on 25 July 2024. This report said the escape of water had caused the ceiling to collapse which had damaged the lacquer to the floor. It was recommended following this inspection that the tiles be uplifted and concrete dried, and noted in the comments that high relative moisture readings were present to the tiles.

In August 2024, RSA had a specialist flooring restoration company carry out an inspection on the floor, and Mr B obtained his own estimate for work on the stone floor.

The key question here is whether the evidence shows the stone floor was damaged by the escape of water and collapse of the ceiling. Where evidence is conflicting, I determine on balance of probability what I think is most likely.

After reviewing the evidence, I think it is more likely the stone floor wasn't damaged from the incident which led to this claim. I say this for the following reasons:

- A lacquered stone flooring would seem likely to me to be quite resilient against being damaged by water, which is a point mentioned by RSA's specialist in their report.
- I don't think there's enough evidence to show the lacquered surface of the flooring was directly damaged from the collapse of the ceiling. And after the event, Mr B had the floor sanded which likely would compromise any further investigation into whether an impact from the ceiling collapse damaged the surface of the floor. RSA's specialist's report mentioned that the surface of the floor had been damaged by a form of mechanical abrasion process, which seems consistent with RSA's comments that Mr B had the floor sanded.

- I think the specialist's report RSA provided is more detailed in its analysis of the condition of the floor, and in the testing which was carried out to determine the condition. I can see prior to this a moisture reading was taken of the floor which showed elevated moisture readings, but this was using an instrument intended for wood and plaster surfaces. In contrast, RSA's specialist took multiple moisture readings using a meter appropriately suited for the material and carried out a gravimetric analysis of a sample of grout and underlying screed finding moisture levels within acceptable levels.
- The estimate Mr B provided says the floor needs restoration due to flood damage but doesn't expand on how that was determined. Instead, the estimate discusses the unsuitability of the existing sealant used on the floor and proposes replacing this sealant. This would seem to point more towards a design or installation flaw with the sealant rather than damage directly caused by the incident.
- I acknowledge the floor was noted as damaged in one of the loss adjuster's reports. But this lacks detail, and I don't think it was unreasonable or unusual for RSA to carry out further investigations to satisfy itself whether the floor was damaged from the incident. Ultimately, I think the most detailed and persuasive piece of evidence relating to the condition of the floor was RSA's specialist's report - which concluded the floor wasn't damaged from the incident.

Because I don't think the evidence shows the floor was damaged from the incident, I don't think it was unfair for RSA to exclude it from the claim.

I've next considered RSA's handling of the claim, including whether it acted unfairly by carrying out validation checks.

Mr B reported the claim to RSA on 28 February 2024. But he says it took RSA until the end of April 2024 to engage the claim.

Our investigator found that there wasn't evidence to show the claim had progressed until April 2024 and I haven't seen anything more showing otherwise. After the initial notification of the loss, the next activity I can see on the claim was RSA handing the claim over to its loss adjuster at the end of April 2024. I haven't seen any explanation why it took so long for RSA to do this. So, I think there was an unreasonable and avoidable delay at the start of the claim.

RSA authorised an interim payment to Mr B at the end of May 2024, but following this Mr B submitted further costs and RSA decided to carry out validation checks on the claim. It isn't unusual for an insurer to carry out checks like these, and although RSA had concerns there was an undisclosed claim, this wasn't the sole reason RSA carried out the validation checks. So, I think the validation checks would have taken place regardless of RSA thinking there was an undisclosed claim.

RSA appointed a company to carry out an interview with Mr B. And Mr B says he was accused of fraud. But other than Mr B's comments, I've seen no further evidence to show he was directly accused of fraud and the report following the interview did not recommend RSA decline the claim due to suspected fraud.

At the time of this report, there was a concern that Mr B hadn't disclosed a previous claim. But that would be indicative of RSA thinking a misrepresentation had been made, which isn't the same as an accusation of fraud given that misrepresentations aren't always deemed to have deliberately occurred. And although Mr B was asked about this claim during the interview, the report concluded there were no concerns about non-disclosure.

RSA decided to place the claim on hold on 20 June 2024 while it carried out the validation checks and the interview happened on 28 June 2024. RSA's notes show that on 2 July 2024 it established the claim it was concerned hadn't been disclosed had in fact been disclosed. RSA received the report from the interviewer on 4 July 2024, and following review, authorised its loss adjuster to continue with the claim on 8 July 2024.

While I think RSA did mistakenly think Mr B hadn't disclosed a previous claim, I don't think this unreasonably caused a delay on the claim. I say this because I don't think it was unreasonable for RSA to have carried out the validation checks, the validation checks weren't carried out exclusively because RSA thought there was a non-disclosed claim, and I think RSA completed the validation checks within a reasonable length of time.

Mr B says that a fee was incurred for his loss assessor to participate in the telephone interview. I've considered if RSA should reimburse this fee, but I don't think it would be fair to require it to pay this. This is because I don't think it was unfair for RSA to have carried out the interview, it was Mr B's choice to instruct a loss assessor, I've seen nothing showing RSA required the loss assessor to participate in the interview and the interviewer's notes say the loss assessor's participation in the interview was minimal, and I haven't seen evidence showing Mr B was charged a specific fee for his loss assessor's participation in the interview.

RSA agreed to the investigators recommendation to pay Mr B an additional £200 compensation to bring the total to £250 following the £50 compensation from its final response on 2 June 2024. I've considered if this is fair and reasonable for the distress and inconvenience Mr B was caused by the delay between the first notification of loss on 28 February 2024 and RSA's appointment of a loss adjuster on 30 April 2024.

Mr B said the impact to him was the bathroom was out of use and access to his kitchen was limited. I also understand Mr B suffers PTSD. RSA said Mr B has access to three bathrooms and a separate toilet, and that although the other two bathrooms were involved in previous claims, these claims were settled before this incident so rectification work should already have been completed on these bathrooms to allow their use.

Taking these points into consideration, I think a total of £250 is fair and reasonable for the avoidable delays at the start of the claim. There would have been some inevitable and unavoidable disruption due to the loss itself. But I think it took an unreasonable length of time for RSA to appoint a loss adjuster. I've thought about the disruption Mr B would have been caused while awaiting the progression of his claim. But given there were two other bathrooms in the property which RSA had settled previous claims for, I'm not persuaded it's been shown this disruption couldn't have been mitigated had the other bathrooms been rectified following the settlement of the previous claims.

Putting things right

If it hasn't already done so, I require RSA to pay Mr B the £50 compensation from its final response of 2 June 2024. In addition to this, I require RSA to pay Mr B a further £200 compensation to bring the total amount to £250 for the distress and inconvenience caused by its handling of this claim.

My final decision

My final decision is that I uphold this complaint in part, and I require Royal & Sun Alliance Insurance Limited to carry out what 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 Mr B to accept or reject my decision before 22 May 2025.

Daniel Tinkler
Ombudsman