

The complaint

Ms S and Mrs S complain about how Royal & Sun Alliance Insurance Limited ("RSA") handled a claim they made on their home insurance policy following a burst pipe at their property.

I will refer to Mrs S throughout my decision since she brought the complaint to this service.

What happened

Mrs S rents her home through a housing association. She has a contents insurance policy with RSA which covers her personal items. The policy also provides for alternative accommodation.

In January 2024 there was a burst pipe in the loft of Mrs S's home which led to water damaging her property and contents. Mrs S made a claim on her contents policy for various items.

The fire service attended the scene and told Mrs S she wasn't to go back into the property and so RSA arranged some temporary accommodation for her and her family.

Mrs S says she submitted the claim promptly and provided all necessary documentation; including evidence of occupancy, tenancy agreement, phone bills, council tax and water bills.

Mrs S says the whole matter has cost her financially; increased living expenses when living in alternative accommodation, costs in obtaining historic meter reading and additional water bills.

Mrs S says her claim hasn't been dealt with promptly or fairly. She says RSA have requested excessive amounts of irrelevant documentation, made unsubstantiated allegations, and displayed a lack of consideration to her mental health. Mrs S wasn't happy with the service she received so she complained.

RSA say investigations are necessary whenever claims are made to ensure claims are dealt with within the terms and conditions of the policy. It apologised if Mrs S felt the nature of the requests were excessive and unnecessary. RSA didn't agree there were unnecessary delays as it requested information which was essential to progress the claim. When the information was submitted it was reviewed within normal timescales and responded to accordingly. RSA said it couldn't see any indication of discrimination during its investigation and said all enquiries into the claim were made to validate the claim.

Mrs S didn't agree so referred her complaint to this service. Our investigator looked into the complaint and concluded RSA hadn't treated Mrs S fairly. She said there had been delays and things could have been progressed sooner. The investigator said RSA needed to consider Mrs S' claim for alternative accommodation since there is provision in the policy for it. The investigator recommended a payment of £750 for the distress and inconvenience caused to Mrs S.

RSA didn't agree. It said Mrs S hadn't provided the information requested and had a duty to do so in order for it to assess the claim in line with the policy terms. Because RSA didn't agree the complaint has come 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'm upholding the complaint for broadly the same reasons as the investigator. My decision will comment on matters to 2 November 2024 when RSA issued its final response to Mrs S's complaints.

I've explained my rationale below. But, before I do I want to acknowledge that I've summarised events in my own words and in far less detail than what's been provided to me. If I've not mentioned something, it's not because I haven't considered it – I've carefully reviewed the evidence and information submitted by both parties. Instead, I've focused on the key elements of the timeline, and what I consider to be the crux of the complaint – in line with our remit as a quick and informal alternative to the courts. No discourtesy is meant by that, nor is it my intention to minimise in any way what Mrs S has been through.

Handling of the claim

A claim of this nature was always likely to be disruptive and stressful for Mrs S. Ultimately the burst pipe resulted in conditions giving rise to this claim. I've had to decide what impact RSA has caused over and above what might reasonably be expected, through its case handling.

The relevant industry rules say an insurer should handle claims promptly and fairly. The burst pipe in Mrs S's home occurred in January 2024 and Mrs S has spent a year trying to get her home in order so her family could move back in. So, I don't think RSA has dealt with the claim promptly or fairly so far. In some cases, decisions and actions taken by RSA compounded the distress for Mrs S. So I'm upholding this aspect of the complaint.

Validating the claim

RSA initially appointed a company to ensure there was no asbestos in the property, and I think that was reasonable given the potential risks involved. RSA also took steps to release funds for Mrs S who wasn't able to attend her home to retrieve clothes and other essentials.

RSA asked Mrs S for details such as contact information for the housing association so it could liaise with them in order to ensure Mrs S was adequately housed while repairs were undertaken at her home. It also asked for other evidence to verify Mrs S' claim. I think this was reasonable since RSA is entitled to investigate the circumstances of the claim. Mrs S has a responsibility to provide RSA with the information it requests, and I can see she has done so on a number of occasions.

I appreciate Mrs S has been trying to obtain evidence such as historic water and council tax bills, which has caused her some distress. I don't think it was unreasonable for RSA to ask for further information to substantiate the claim. Under the terms of the policy RSA is entitled to request this. And because there was no indication of the level of loss at the outset of the claim, I don't think it was unfair of RSA to ask for further reasonable information or evidence in relation to the claim.

RSA say it is within its rights to carry out an in-depth investigation and for those investigations to continue until such time the claim is validated. I don't disagree, but it has a duty to deal with the claim promptly and without delay. I don't think it has done that here, and the result has had a significant impact on Mrs S and her family.

Given Mrs S' cover was for contents I would have expected an inspection of the damage including a review of the items being claimed for. While investigations have continued Mrs S' contents have remained in the property and are likely to have further deteriorated and I don't think that's fair.

Alternative accommodation

Under the terms of the policy Mrs S and her family are entitled to suitable alternative accommodation. The policy says,

"While your home cannot be lived in due to loss or damage covered by the contents section of this policy, your insurer will pay up to the amount shown in the policy summary for:

- *Rent for which you're legally liable, or*
- *The increased cost of similar alternative accommodation for you, your family, and your domestic pets."*

The terms of the policy are clear that alternative accommodation is provided for here. So, I don't think it was reasonable for RSA to say Mrs S wasn't entitled to it or was only entitled in certain circumstances. Mrs S told RSA she had issues contacting the housing provider who weren't taking action to help her. So, RSA could have been more proactive here in assisting Mrs S with her accommodation needs. And its likely her insistence chasing for alternative accommodation was due to the fact her housing provider weren't providing her with any assistance or information, and she was concerned about where her family would live.

I can see RSA contacted the housing provider to see if they were able to make alternative arrangements. RSA did cover alternative accommodation immediately after the incident, and the housing provider also appears to have paid for some accommodation. Mrs S has provided receipts and confirmation of some of the accommodation she booked and paid for.

So, I think RSA should reassess the claim for alternative accommodation and, if appropriate, reimburse her for the costs she can evidence in line with the terms of the policy. Mrs S will need to evidence whether she has continued paying rent for her home in order for RSA to assess what it is liable for.

Customer service

Mrs S provides compelling testimony of the impact the claim has had on her and her family. This is backed up by claim notes and medical information provided by Mrs S. And I've kept this in mind while reviewing the evidence.

I appreciate RSA did try to assist Mrs S during a difficult time, but it has prolonged the matter. RSA hasn't managed the claim or Mrs S' expectations since she was under the impression RSA would arrange alternative accommodation, and then deal with her claim in full once it had been validated. But that hasn't happened.

RSA should have been able to organise and validate the claim much sooner. And RSA's delays and requests for information caused significant distress to Mrs S as her home was left with damp and mouldy belongings for longer than was necessary. There have been periods of inactivity and failures to communicate with Mrs S. This has resulted in wasted

time on her part sending emails to chase things up, forwarding evidence and emails and going back through various documents in order to substantiate her claim, and understand what was happening.

Discrimination

It's important to note that we cannot make a legal finding that the Equality Act 2020 ("the Act") has been breached or that a business's actions are tantamount to race discrimination – the Act makes clear that this is exclusively a matter for the courts. However, as part of our investigation we do take relevant law, best practice, and industry guidance into account so we can decide whether we think a customer has been treated fairly and reasonably. Given what Mrs S has said, I think the Act is relevant law here.

Mrs S says she feels RSA has discriminated against her given the problems she's experienced in the handling of her claim. RSA said it hadn't seen anything to suggest there had been any discrimination, but I can't see it contacted Mrs S to discuss her concerns or try to understand what happened or what she was referring to. So, I don't think it carried out a fair investigation here, and I would have expected it to do so.

Compensation

This service has general guidelines for making awards for distress and inconvenience. To be clear, I'm not compensating for the future claim handling or what happens next, but to date at the very least this claim has been left unanswered for a long period of time and the distress has been prolonged as a result. There were delays during the course of the claim and it's clear to me the impact of that on Mrs S has caused particular stress and upset. I therefore agree with the investigator's recommendation of a payment of £750.

I understand Mrs S wants me to go further in my redress than I have. But having considered the evidence I think the investigator's recommendations to put things right are fair and reasonable in the circumstances of the complaint, and for the reasons previously explained. I would however urge RSA, upon Mrs S accepting this final decision (if she does) to act swiftly to deal with the remaining aspects of this matter.

Putting things right

In order to put matters right, I direct RSA to;

- Reassess the claim for alternative accommodation; add interest at an annual rate of 8% simple if paid,
- Provide a decision on Mrs S' claim – Mrs S is to respond to information requests promptly,
- If the claim is successful RSA should add 8% interest on any settlement amount from a month after the claim was first made until settlement is paid.
- Pay £750 for the distress and inconvenience caused.

RSA must pay the compensation within 28 days of the date on which we tell it Mrs S accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

My final decision

My final decision is that I uphold this complaint and I direct Royal & Sun Alliance Insurance Limited to resolve the complaint by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S and Mrs S to accept or reject my decision before 9 May 2025.

Kiran Clair
Ombudsman