

## **The complaint**

The estate of Mrs C (“the estate”) complains about delays during Royal & Sun Alliance Limited’s (“RSA”) handling of its claim for damage caused by an escape of water, under its home buildings insurance policy.

The estate has two representatives acting on its behalf. I’ll refer to the estate in my decision.

## **What happened**

In December 2022 a water pipe burst in the property owned by the estate. This caused extensive damage. A claim was made to RSA, which it accepted. Asbestos was identified by its contractor that required disposal. There were delays appointing other contractors. The estate says from registering the claim in December 2022, it took until April 2024 for the property to be fully reinstated.

The estate says it was told the reinstatement work would be completed within nine months. But it took closer to 16 months for this to happen. A lifetime mortgage was payable on the death of Mrs C. Because of RSA’s delays additional interest was payable by the estate. In addition, it had to pay council tax fees. The estate says RSA should refund these costs.

In its final complaint response RSA says asbestos had to be safely removed. Further asbestos was found later in the reinstatement work, which also took time to deal with. RSA refers to wrong materials being ordered by the estate, and changes being made to the bathroom. It says this caused delays. The business says it wasn’t told that the property was being sold. But rather it understood a beneficiary of the estate would be moving in after the repairs were completed.

RSA paid £200 to acknowledge a delay in the second asbestos removal. But declined to pay any of the charges the estate incurred.

The estate didn’t accept RSA’s position and referred the matter to our service. Our investigator upheld its complaint. She says RSA was responsible for five months of delays. Four months relating to removal of asbestos and the remainder for delays in appointing contractors.

To acknowledge its delay our investigator says RSA should reimburse any interest the estate paid on the lifetime mortgage for the period 1 November 2023 up to 21 March 2024. In addition, it should refund any council tax charges for this same period.

RSA didn’t accept our investigator’s findings. As an agreement couldn’t be reached the complaint has been passed to me to decide.

## **What I’ve decided – and why**

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Having done so I'm upholding the estate's complaint. Let me explain.

Both parties are well aware of the circumstances of this complaint. So, I'll focus on the key points I consider relevant to my decision. This doesn't mean I haven't read all the information presented. I have. But I won't comment on each and every point raised unless this is pertinent to my decision.

When the claim was first registered in December 2022 RSA arranged for the damage to be assessed. Asbestos was suspected and testing was required. This proved positive. Parts of the property were thought to be contaminated with asbestos due to the fire brigade's actions when dealing with the call out. This meant work was required to decontaminate the property and remove the asbestos.

Initially I think the action taken by RSA was appropriate to assess the damage, identify asbestos and plan for its removal. This was done in a timely manner. But the actual removal took far longer than I'd consider reasonable. RSA says the asbestos was removed in March 2023. But it's supplied a certificate that says the asbestos was removed in early May. We asked RSA to provide evidence to show the asbestos was cleared at the earlier date. It wasn't able to provide this information.

Based on this evidence the first lot of asbestos wasn't removed until over five months after the claim was registered. And four months after it was identified. I don't think this represents a timely response from RSA in dealing with this part of the claim. No other work could begin until the asbestos was removed. I haven't seen evidence that shows there were good reasons for it taking this long. So, I agree with our investigator that RSA is responsible for a delay of around four months here.

The claim records confirm drying work was required as a result of the escape of water. This began after the asbestos removal. And was completed in June 2024. A delay then occurred before RSA's contractor could attend to progress the reinstatement work. RSA confirms an electrician attended on 7 August 2023 to carry out initial strip out works and report on the electrics. It says further trades then followed on 17 August.

Based on this information it took around two months, after the drying was complete, to begin reinstatement work. This doesn't seem reasonable. Especially given the lengthy delay already experienced. There's reference in the claim records, and in the estate's testimony, to contractors travelling some distance in order to work on the property. Indicating there may have been difficulties appointing contractors locally. I acknowledge RSA's reference to the long lead times before contractors could commit to start work. But I haven't seen any records to show RSA took action to source alternative contractors.

Having considered this information I agree with our investigator that the time taken to commence the reinstatement work wasn't reasonable. This added to the initial delay when dealing with the asbestos.

I've thought about RSA's view that the estate's representative was responsible for incorrect materials that were bought. In addition to delays in decisions being made on decorations.

I've looked at the emails RSA supplied. These are dated in July and August 2023. This shows there were some delayed responses from the estate's representative. But this occurred prior to reinstatement work starting. I acknowledge RSA's comments, but it hasn't shown that this caused delays in the reinstatement work.

That said, the records do show the estate's representative wanted a different layout for the bathroom. This did cause a delay while discussions were ongoing. RSA explains its policy is designed to restore what was originally in place. I accept that any changes aren't something it's required to agree to. I don't think the delay resulting from the bathroom choice was RSA's fault. So, I won't include this period in my redress considerations.

Additional asbestos was identified once the reinstatement work began in mid to late August 2024. The records show this was obscured by timber panels and plaster. This required removal, delaying the reinstatement works. I note the estate's view that this should've been identified when the first asbestos was found. But as stated, this asbestos was obscured from view. From what I've read I don't think this could reasonably have been identified until more invasive work was carried out. This didn't happen until the reinstatement work was underway. So, RSA isn't responsible for the impact this had on completion of the repairs.

I can see a boiler was refitted towards the end of reinstatement work. However, it then had to be replaced. From what I've read I can't see that this was avoidable. This did delay the completion of the reinstatement works until March 2024. But I don't think RSA is reasonably responsible for the time this added.

I've thought carefully about the estates claim that it has paid additional interest and council tax charges as a result of RSA's delays. Also, RSA's comments that it believed the estates beneficiary was intending to occupy the property. And that it wasn't told the property was being sold or informed of the lifetime mortgage. I've also considered RSA's comments that the estate could have sold the property in its damaged state. This would have meant paying off the mortgage sooner and avoiding further interest payments.

I've seen evidence of the lifetime mortgage that was secured on its property. I'm satisfied from this that the estate was liable for interest payments up until the time that the mortgage was paid. The mortgage provider has supplied contact records to show that the estate's representative was regularly in contact with it about the sale of the property. And more specifically in providing updates on when it would likely be ready for sale.

The estate's representative maintains that RSA was told, in an on-site meeting early in the claim, that the property had to be sold as soon as possible.

RSA says its agent recalls a discussion about selling the property. But also recalls some small talk during site meetings about the estate's representatives moving into the property. However, it explains there is no evidence of this.

RSA hasn't clearly shown that the intention was for the estate's beneficiary to move into the property after the reinstatement work. I think the evidence from the mortgage provider supports the estates position that the intention was to sell the property. Even if I didn't take this view, its incumbent on RSA to arrange effective and timely repairs. In not doing so it's reasonable to expect that the policyholder will incur costs due to delays in the reinstatement work.

I don't accept RSA's comments that the estate could've have avoided interest charges by selling the property in its damaged state. I say this because the damage was extensive. The estate had a policy in place with RSA to reinstate the damage. Selling the property in its damaged state would likely mean it would incur a significant financial loss. It makes sense that the estate would want RSA to deal with the claim before selling the property.

The estate has supplied an email from the estate agent it used to sell the property. It says the property was advertised for sale on 4 April 2024 and was under offer on 18 April. The estate has also provided an email from its solicitor. This says it dealt with the sale of its

property, which was settled on 8 August 2024. I think this shows the estate acted quickly to sell the property once it was reinstated.

Having considered all of this I'm satisfied that where delays in the reinstatement work have resulted in additional charges, RSA is responsible for reimbursing these costs. Based on the time taken to deal with the original asbestos that was found, and the delay in progressing the reinstatement works, I agree with our investigator that RSA caused around a five-month delay.

The impact of this is that the estate paid an additional five month's interest and council tax charges. From what I can see the property repairs were completed on 21 March 2024. The estate's representative arranged for it to be put on the market shortly after this, where an offer was quickly agreed. Based on this I think it's fair that RSA pays any interest and council tax charges the estate incurred from 1 November 2023 up until the property was returned fully reinstated on 21 March 2024. The estate's representatives can provide evidence to RSA to show the charges that were paid.

RSA paid £200 compensation by way of an apology for inconvenience relating to the second asbestos issue. This isn't something I can consider here. This complaint is brought by the estate of the deceased. Inconvenience isn't something that an 'estate' can suffer. So, I've only considered the financial loss it incurred.

### **My final decision**

My final decision is that I uphold this complaint. Royal & Sun Alliance Limited should:

- refund to the estate any interest incurred from the lifetime mortgage from 1 November 2023 to 21 March 2024; and
- refund to the estate any council tax charges during the same period, on provision of relevant evidence this was paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs C to accept or reject my decision before 19 May 2025.

Mike Waldron  
**Ombudsman**