DRN-5414541

The complaint

Mr R complains about the claim settlement offered by Royal & Sun Alliance Insurance Limited ('RSA') following claims made under his commercial property insurance.

Part of Mr R's dissatisfaction relates to the actions of agents acting on behalf of RSA. As RSA accept they are responsible for the actions of their agents, in my decision any reference to RSA should also be interpreted as covering the actions of their agents.

What happened

The background to this complaint is well known to Mr R and RSA. Rather than repeat what's already known to both parties, in my decision I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mr R raised a complaint about the claim settlement offered following damage to a property he let out. Several claims were raised, including for damage arising out of an escape of water, malicious damage, loss of rent and theft. Mr R says that he accepted an interim payment, but he's been under indemnified by around £20,000.

Our Investigator considered that complaint and recommended that it be partially upheld. As the matter remained unresolved, the complaint was referred to me for decision. I recently sent both parties a copy of my provisional decision and as they've both responded before the deadline set, I've considered the complaint for a final 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

Responses to my provisional decision

Both parties confirmed receiving my provisional decision. RSA accepted it. Mr R provided further comments.

I won't respond to Mr R's comments in detail - as I've previously made related findings. Mr R has said RSA haven't provided adequate explanations where they've adjusted their claim settlement. I'm satisfied that their detailed breakdown is reasonable and Mr R hasn't provided sufficiently persuasive evidence to undermine what RSA have offered as being unfair. I don't find the breakdown to be opaque or convoluted, instead I find RSA have provided explanations for the major areas of contention in the claim settlement. For example, the breakdown explains that a deduction was made for wear and tear of carpet. I won't be directing RSA to provide as further breakdown explanation.

Mr R has also referred to our initial Investigator's assessment, but it has been superseded

since by another Investigator's view and ultimately, my final decision.

As no new representations have been made by either party, I find no fair or reasonable reason to deviate from my previously set out provisional decision. Therefore, those earlier findings form the basis of this, my final decision.

The scope of my decision

Mr R has referred several complaints to our Service in relation to claims made under this insurance policy, following damage to his property by a tenant. We've previously considered a complaint covering claim issues from November 2022 until April 2024 and sent a final decision. Mr R remained unhappy and raised this new complaint, solely about the claim settlement and how it was reached.

As our Service can't revisit a complaint that has had a final decision issued, my decision here will only focus on the claim settlement and not any other matters that our Service have previously considered under the two other complaints.

My key findings

I find that RSA have provided a breakdown and reasonable explanation to explain the claim settlement. Overall, I find that the main part of the claim settlement has been reached fairly and in line with the policy terms.

Damaged doors

Our Investigator recommended that RSA make a 50% contribution towards undamaged doors on the same floor as the master bedroom. RSA confirmed their acceptance of this and said they'd already made payment.

However, since the assessment, Mr R has provided reasonably persuasive evidence that another door, on another floor was also damaged - likely by force or slamming. I accept RSA's challenge as to how would Mr R know those actions had taken place. But given the condition of the property, I find it more likely than not that Mr R's explanation that the door was damaged by force or slamming is plausible.

Whilst the damage is not as severe as the door that RSA have accepted a malicious damage claim for, none the less, the damage is visible. I can understand why RSA may have missed the damage during their visit to the property. Mr R has provided a copy of a document sent to RSA during the early stages of the claim and it refers to damage to internal 'doors', not just one door.

As several years have passed since this claim event and Mr R arranged repairs, it wouldn't be feasible now for RSA to arrange to revisit the property. RSA told us on 18 February 2025 they'd 'offered and paid the following: (1 door £168 x 3 = £504 divided by 50% = £252).

The approach I'm following is in line with our well established and published approach:

> *"In cases where the customer has such a 'loss of match', we usually say the customer should be paid compensation to reflect that loss. We've often said that fair compensation is 50% of the cost of replacing the undamaged parts of the set."*

Subject to Mr R providing reasonable proof of his outlay (private repairs) for all doors, 8% simple interest per annum will also need to be added to the settlement (including the offer already paid). This is to be calculated from the date of Mr R's outlay until the date the further

payment is made to him.

The cash settlement offered I accept Mr R's lack of confidence in the rest of the cash settlement figure - given that it has increased significantly since the initial claims were made and our Service became involved in his subsequent complaints. RSA have provided a breakdown of the settlement – which we've shared with Mr R, that includes explanations where adjustments have been made that differ to the cost presented by Mr R and it clearly outlines where losses aren't covered by the policy.

On balance, the detailed breakdown appears reasonable and Mr R hasn't presented any evidence that is sufficiently persuasive, to the extent that it undermines the offer made by RSA. I note RSA also gave Mr R a fair opportunity to challenge it in May 2024, where he went into more detail about an oil boiler. RSA considered Mr R's comments about the boiler and a fridge, but it didn't change their position - and I find that to be fair.

Putting things right

Royal & Sun Alliance Insurance Limited now need to (if they've not already done so):

- Cover the cost of the second damaged door on another floor of the property (that they've not yet reimbursed Mr R for).

- Make a 50% contribution towards the other matching, undamaged doors on that floor.

- Cover the cost of the initial damaged door (as it's not clear if this has occurred yet or not).

- Subject to Mr R providing reasonable proof of his outlay (private repairs) for the doors, 8% simple interest per annum will also need to be added to the settlement (including the offer already paid). This is to be calculated from the date of Mr R's outlay until the date the further payment is made to him.

My final decision

My final decision is that I partially uphold this complaint. Subject to Mr R accepting the final decision before the deadline set below, Royal & Sun Alliance Insurance Limited will need to follow my direction, as set out under the heading *'Putting things right'*.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 April 2025.

Daniel O'Shea
Ombudsman