

## The complaint

Mr J complains about Royal & Sun Alliance Insurance Limited's ('RSA') handling of his contents insurance claim.

References to RSA include its agents.

## What happened

Mr J's home suffered a fire in June 2024 causing fire and smoke damage inside the property and to his contents. So, he contacted RSA to make a claim on his contents insurance policy.

RSA appointed a loss adjuster to assist with the claim and an initial inspection was carried out on 13 June 2024. The loss adjuster found fire damage to the carpet and rug in the lounge and believed various other contents such as blinds, clothing and a coffee table had been damaged from smoke.

RSA authorised the claim in August 2024. Following this Mr J provided a quote for redecorating. RSA then instructed a company to assist with assessing the damaged contents.

In October 2024, RSA issued a payment of £3,168.82 to Mr J which included £2,070 for redecorating costs and £1,098.82 for damaged carpeting.

Mr J complained to RSA about delays on his claim and a lack of updates. RSA provided a final response to this in October 2024 in which it said it didn't agree there had been unreasonable delays on the claim but acknowledged it hadn't proactively kept Mr J updated. In recognition of this, it offered to pay Mr J £50 compensation.

As Mr J was dissatisfied with this response, he brought his complaint to us. Our investigator thought there were some unreasonable delays and RSA should increase the compensation offered to Mr J from £50 to £150.

The investigator also said a dispute had arisen over the £2,070 payment RSA had sent for redecorating costs as it had later been confirmed by RSA this was sent in error and Mr J was asked to repay this sum. The investigator found that Mr J wasn't entitled under the policy terms for the redecorating costs.

Mr J didn't agree, as he thinks the policy terms covered him for the redecorating costs. So, the complaint was referred to me to decide. I issued a provisional decision upholding the complaint, and I said:

*"Starting with the duration of the claim, I'll only be considering any events which happened up to RSA's final response of 21 October 2024. If there have been any delays after this date which Mr J is dissatisfied with, he'll first need to make a new complaint directly to RSA about that."*

*I should start here by saying that there'll be some level of inconvenience with any insurance claim, and I can't reasonably hold RSA at fault for the inconvenience Mr J was caused by the fire itself. However, RSA should still have dealt with his claim in a fair and reasonable way which includes providing updates on a reasonable basis, and proactively progressing the claim.*

*RSA acknowledged there was some poor handling of the claim as callback requests weren't completed. But it said it hadn't caused any avoidable delays on the claim.*

*Looking at the timeline of events, RSA instructed a loss adjuster who carried out an initial inspection and report within about two weeks of the claim being reported. I don't think that's unreasonable or outside the usual timescales I'd expect to see.*

*After the loss adjuster sent its report to RSA on 22 June 2024, it awaited a response until 5 August 2024. While it would have taken some time for RSA to review the loss adjuster's report and decide if it would proceed with the claim, in the absence of any clear explanation why it took six weeks here, I think there was an unreasonable delay here in processing the claim.*

*Following RSA's approval of the claim in August 2024, there doesn't appear to be any apparent periods of inactivity. So, I think the claim resumed again at this point at a reasonable pace.*

*I think the £50 compensation RSA offered for the communication issue was reasonable. But I don't think the claim was free from avoidable delay between the notification of loss and final response sent in October 2024. So, I think some additional compensation is warranted for that.*

*Mr J said he was accused of starting the fire deliberately. But I've seen no further evidence to show this. And looking at the loss adjuster's report, it wasn't noted that there were any concerns regarding the cause of the loss. I acknowledge Mr J was asked to provide supporting evidence during the claim. But that isn't unusual and doesn't mean he was accused of deliberately starting the fire.*

*Mr J was sent a payment of £2,070 for redecorating costs, and I can see a quote was provided dated August 2024 for repainting of various walls in his home. But RSA said this payment was sent in error and Mr J had been given details so he could pay this back.*

*Mr J's housing association denied responsibility for redecorating, saying this was because the fire was caused by Mr J's candle. But I can't comment on or make any findings about the fairness of this since the housing association are a separate entity to RSA and aren't a financial business.*

*I can only consider whether RSA acted fairly in how it dealt with the claim for the redecorating costs. The main question here is whether Mr J's policy with RSA included cover for the walls.*

*Mr J is a tenant, and his policy with RSA is a contents only policy. So, my expectation would be his policy wouldn't cover the cost of redecorating walls because a tenant doesn't own the property they live in, and hence doesn't have insurable interest in the building they live in and its walls.*

*I've reviewed the terms of Mr J's policy. These say that the policy covers loss or damage to the contents in the home. The terms also provide a definition of what 'contents' means, and this definition doesn't include within it interior walls. I acknowledge Mr J has provided a copy*

*of the IPID which says tenants improvements such as internal fixtures or decorations are covered. But I don't think that's applicable to the walls since they don't meet the policy definition of contents and Mr J didn't own the building. So, I don't Mr J was entitled to any payment from RSA for redecorating the walls or that it was unfair for RSA to request this payment be reimbursed.*

*However, I think RSA caused a loss of expectation by issuing this payment to Mr J and then informing him it was sent in error. And I think that's caused him some distress and inconvenience which warrants some additional compensation.*

*To put things right, I think RSA should pay Mr J a total of £300 compensation for this complaint to recognise the distress and inconvenience caused by the delay on the claim, the communication issue, and the loss of expectation by sending a payment in error."*

RSA didn't reply. Mr J replied to say that RSA's loss adjuster said he could keep the £2,070 payment which was sent to him in error and that the policy terms say tenants' improvements are covered up to 20% for decorations.

### **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 reached the same conclusion I did in my provisional decision and for the same reasons.

Mr J says he was told over the phone by RSA's loss adjuster he could keep the £2,070 payment sent in error. But other than Mr J's comments, I've seen nothing more to show he was informed this. Ultimately, I'm satisfied this payment was sent in error and that RSA has requested Mr J pay it back. While I think Mr J should be paid some additional compensation, in part due to the upset caused by sending this payment in error, I'm satisfied RSA was entitled to ask Mr J to repay the amount, and did not do so unfairly.

I acknowledge Mr J's comment about a term in the Information Product Information Document (IPID) which says tenants improvements such as internal fixtures or decorations added by the tenant are covered up to 20% of the contents sum insured. But I already considered this policy term in my provisional decision and no new information has been provided about this. So, for the same reasons I provided in my provisional decision, I still don't think that this term provided cover for redecorating the interior walls.

### **Putting things right**

If it hasn't already done so, I require RSA to pay Mr J the £50 compensation it offered in its final response. In addition to this, I require RSA to pay Mr J a further £250.

### **My final decision**

My final decision is that I uphold this complaint and I require Royal & Sun Alliance Insurance Limited to carry out what I've set out in the 'Putting things right' section on this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 12 May 2025.

Daniel Tinkler

**Ombudsman**