

The complaint

Mr and Mrs G complain Royal & Sun Alliance Insurance Limited (“RSA”) unfairly declined a claim they made on their home insurance policy for a damaged sewage treatment plant (STP).

Mr and Mrs G have brought the complaint with the support of a professional representative. For ease, I’ve mostly referred to the actions and comments of the representative as being Mr and Mrs G’s own.

What happened

In early 2023 Mr and Mrs G had a service carried out on their STP. When the contractor (“T”) attended, it noted damage to the tank and its drainage field. T said a switch (located behind a fridge in the kitchen of the property) which controlled the power to the motor had been accidentally turned off by Mr and Mrs G. As a result, this had caused irreversible damage to the STP. A claim was made to RSA, but RSA declined it. It thought the damage to the tank was as a result of the failure of the drainage field, which had become saturated and had reached the end of its serviceable life. It said this had put pressure on the motor and effectively burnt it out. It said as this failure had happened gradually; it wasn’t covered by the policy.

Mr and Mrs G complained about RSA’s decision and about delays in the claim, including that it took three months for RSA to attend and inspect the site. RSA didn’t think it had caused a delay arranging an inspection, it said it had needed further information before a site visit could be arranged. It said there had been a delay in reviewing its expert report once it had been received. As an apology for that, it said it would pay £150 compensation.

Unsatisfied with RSA’s response, Mr and Mrs G referred their complaint to the Financial Ombudsman Service for an independent review. They said RSA had relied on an exclusion to decline the claim without providing any evidence that it applied. They said they wanted RSA to say the costs of tank emptying in order to maintain foul services, they also wanted it to accept the claim for damage, apologise, and pay compensation for unfairly declining the claim.

Our Investigator thought RSA had fairly and reasonably declined the claim. He said he was persuaded by RSA’s findings that the drainage field/soakaway had reached the end of its life and had most likely caused the pump to burn out and the system to become flooded. He said it was reasonable for RSA to conclude this wasn’t ‘accidental damage’ as defined by the policy. Whilst he agreed there had been some delay in the claim being progressed, he estimated this to be around a month, for which he thought £150 was a fair amount of compensation.

Mr and Mrs G didn’t agree with the outcome. They made the following points which I’ve summarised below:

- They had accidentally switched off the power to the motor on the septic tank. They said their expert confirmed the buildup of sludge in the STP had resulted in sludge

entering the drainage field, and now it was no longer functioning.

- When the spindle in the tank stop turning (due to the switch being off) the treatment of the wastewater reduced, resulting in increasingly dirty effluent passing through. It was this dirty effluent which has caused the damage to the pump and drainage field, not the other way around as RSA argue.
- RSA has provided no evidence that the exclusion applies.
- Even if RSA's explanation is correct (in relation to the drainage field failing due to being at the end of its life), the proximate cause of the damage to the tank itself should be considered as accidental damage. As failure of the drainage field has then resulted in accidental damage to the septic tank.
- £150 compensation for delays is not acceptable.

As the matter wasn't resolved, it came to me to decide. In March 2025 I issued a provisional decision on this complaint. I said I intended to reach the same outcome as our Investigator, for broadly the same reasons but I was issuing provisional decision to respond to comments made by Mr and Mrs G in response to our Investigator's findings. A copy of what I said is below:

When making a claim on an insurance policy, it is for the insured – so in this case Mr and Mrs G – to show they've suffered damage covered by the policy. If they can do so, then RSA will generally need to meet the claim unless they can rely on a valid exclusion to fairly decline it.

Has it been shown there is "accidental damage" to the STP?

Mr and Mrs G made a claim for accidental damage, so they have to show, on the face of it, that the damage to the STP was caused by accidental damage. Which is defined in the policy as "sudden, unexpected and visible damage caused by something external to the damaged item in a single identifiable event and which has not been caused on purpose."

Mr and Mrs G say the switch supplying power to the motor of the STP was accidentally turned off. But that doesn't necessarily mean the damage to the STP meets the definition of 'accidental damage'. I don't think it's been shown by Mr and Mrs G, or their expert T, that the turning off of the switch resulted in the "sudden, unexpected and visible damage" to the STP.

T's report says the loss of power to the motor meant the spindle stopped rotating, this resulted in an increase in the level of liquid in the tank, which submerged both the spindle and motor, causing damage to both such that they ceased to operate. It further said the buildup of sludge resulted in sludge entering the drainage field, which had then caused that to fail.

I'm not persuaded, based on T's report, that the damage to the motor (or the STP as a whole) was 'sudden'. I say this because T later confirmed whilst power to the spindle was stopped by the switch being off, the pump of the tank did still have power, supplied separately. RSA's expert 'C' said that even with the spindle not operating, the tank would still function, discharging the effluent into the drainage field. I can't see that T has disputed that statement. So it's not clear to me, if the tank was still able to discharge the effluent, how the levels would have suffered a "sudden" increase such as to submerge the spindle and motor, causing the irreversible damage T has claimed happened.

So, I'm not persuaded it's been shown the damage caused by any switch being turned off – particularly when it's not clear when the switch might have been turned off – was "sudden". And so I intend to decide the damage doesn't meet the definition of accidental damage as set out in the policy. As such, it follows that RSA doesn't need to rely on an exclusion to decline the claim, nor prove the exclusion applies.

Mr and Mrs G say even if RSA's explanation is correct – and that the drainage field did reach the end of its natural life and became saturated – the damage to the tank itself, caused by the drainage field becoming saturated, should be considered as accidental damage.

Again, it would be for Mr and Mrs G to show the failure of the drainage field caused accidental damage, as defined by the policy, to the tank. I can't see that T explains why the drainage field failing gradually would result in "sudden" damage to the tank. RSA's expert view by C was that with the drainage field being saturated, the outfall would seep back into the tank after being pumped out. The level in the tank would then raise, activating the switch within the pump which would turn the pump on again. It said this constant cycle has caused the pump to ultimately fail. T considers this to be only speculation, whereas C says it isn't, it is simply hydraulics of how the system operates.

Having considered all of the points made, I'm more persuaded by C's comments on this. It sounds reasonable to me that a pump might fail if it was under more strain owing to the drainage field being saturated. But I don't think this would be "sudden", or through a "single identifiable event". T's comments don't persuade me that any gradual failure of the drainage field resulted in accidental damage to the tank, as such, I intend to decide RSA has fairly declined the claim.

RSA's handling of the claim

Mr and Mrs G complain it took RSA three months to inspect the tank, and it delayed the claim by asking irrelevant questions, which is acting against the regulations. Having considered matters I don't agree that RSA asked irrelevant questions. It asked Mr and Mrs G's representative a number of times for more detail as to how the switch might have been turned off accidentally, when this might have happened and if they would have been aware that the motor had switched off. When RSA attended the property to get further detail (as those questions hadn't been answered by the representative) neither Mr nor Mrs G were present to discuss the claim. RSA also asked for evidence that the tank had been installed in line with regulations and maintained. I consider those are not irrelevant questions to a claim of accidental damage.

Having reviewed the timeline from the claim being notified until RSA's inspection, I'm not persuaded it caused unreasonable delays. RSA is entitled, before instructing an expert to assess damage, to determine the facts of the claim, and consider basic policy details which might affect cover, such as whether any misrepresentations may have been given by the policyholder at inception of the policy or renewal. I can see RSA had some concerns in this respect. And it asked promptly for the information it required to progress matters. I can't hold RSA responsible for any delays caused by Mr and Mrs G's representative in providing that information.

RSA accepts it took longer than it should've done to review C's report. It paid £150 compensation for that; I consider that is fair to reflect the frustration caused by that delay. So I don't intend to require RSA to pay any more, or do any more, to put matters right.

Responses to my provisional decision

RSA responded to say it accepted the provisional findings and had no further comments to add.

Mr and Mrs G didn't accept the provisional findings. They focussed in their response on my comments that they hadn't shown the damage was "sudden" and so wasn't covered by the policy. They said "*sudden*" means something that happens quickly and unexpectedly without warning, and as far as they were concerned, the damage was sudden as it wasn't something they could've known about until the damage manifested. It also provided comments from T that said it would've been the loss of power to the motor (by the switch being turned off in the property) that caused the damage.

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 reviewed the response, I don't agree that just because Mr and Mrs G might not have known there was damage until a certain point, that it means it should fairly and reasonably be interpreted that the damage to the STP was "*sudden*". They don't need a "*sudden*" awareness of an issue; rather it has to be shown that the damage to the STP was "*sudden*". For the reasons set out in my provisional decision, I'm more persuaded that the damage happened in the manner set out by RSA.

Whilst I note T's comments in relation to the motor needing power to work, there has been very little detail given on how the switch came to be accidentally turned off, its comments also refer to it being off for a 'prolonged' period of time would cause damage. Its comments don't persuade me that RSA has acted unfairly in declining the claim.

The responses to my provisional findings haven't altered my opinion on the complaint. As such my provisional findings, as well as what I've set out above, are those of this, my final decision.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 22 May 2025.

Michelle Henderson
Ombudsman