DRN-5602026

The complaint

Mr R complains about Royal & Sun Alliance Insurance Limited ("RSA")'s handling of their buildings Insurance claim.

All references to RSA also include its appointed agents.

What happened

Below is intended to be a summary of what happened and does not therefore include a full timeline or list every point that has been made.

- Around February 2023, Mr R raised a claim for subsidence to his conservatory.
- RSA attended the property around April 2023.
- Mr R says he contacted RSA in July 2023, as he still hadn't heard back from it. RSA responded to say it was still reviewing the claim.
- Mr R chased RSA again in August 2023, it responded to say it had made a decision but didn't provide any further detail
- Mr R then chased RSA again September 2023, he didn't receive a response before he was then himself away for three months. He contacted RSA on his return in January 2024, who informed him the claim had been declined. He said he asked for the reasons to be confirmed to him in writing, but a response was not provided until around July 2024.
- RSA said the damage to the conservatory had been caused by shrinkage to clay soil from nearby tree roots extracting moisture. It said the foundations were defective and didn't comply with standards at the time of its construction, and had they been properly designed, the damage wouldn't have occurred. It said loss or damage resulting from faulty workmanship or the use of defective materials, was excluded from cover under the terms of the policy and so it declined Mr R's claim.
- Mr R didn't agree with this and raised a complaint with RSA. He was unhappy with its decision, the length of time taken to provide him with a response and its handling of the claim.
- RSA sent Mr R its final response letter in November 2024. It maintained its decision to apply the exclusion for faulty workmanship and decline the claim.
- It acknowledged its communication and handling of the claim had been poor, in recognition of this and avoidable delays it caused, it offered Mr R a total of £1,400 compensation.
- Mr R disagreed with this and referred the complaint to our service.

Our investigator's view

Our investigator recommended the complaint be upheld. She didn't think RSA had fairly applied the exclusion.

She said the guidance RSA referenced that should have been followed at the time the conservatory was estimated to have been built recommended a foundation depth of 750mm in shrinkable clay subsoils. While the foundations of the conservatory were found to be at 300mm, investigations revealed the roots to be at 1000mm below ground level. So even if they been built to the recommended depth the damage would've still occurred.

She also noted the conservatory had stood for some time without damage.

She noted RSA had caused avoidable delays and had provided poor service to Mr R, but felt the compensation offered by RSA was fair in recognising the distress and inconvenience caused.

RSA disagreed with our investigator's view and asked for an ombudsman to review the matter. It said:

- It said it wasn't the presence of roots themselves that had impacted the conservatory. It was that the roots drew moisture from the clay soil. It said the main home had been built to a depth of 700mm, which was in similar distance to the same vegetation causing the shrinkage and had not suffered subsidence. It said this is evidence that the conservatory would not have suffered subsidence, and would have absorbed the movement, had it been built to the same depth.
- It said the length of time the conservatory had stood was not a guarantee period – and the fact it had subsided shows it hadn't withstood the test of time. It said tree growth and growth potential is something that needed to be properly factored into the workmanship and design when the conservatory was built.

The complaint has now passed to me.

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 uphold the complaint for these reasons:

- RSA has referenced guidance from a provider of building warranties. The policy doesn't set out any requirement to adhere to these standards. And I have not seen anything that persuades me the conservatory was subject to them when it was thought to have been built. So, I don't think this guidance is relevant here.
- RSA's site investigation revealed the presence of roots at 1000mm. So even if the foundations were built at the recommended depth of 750mm, I'm not persuaded this would've prevented the subsidence issue.
- The conservatory wasn't built to the same depth as the main building, but I've not seen anything that persuades me it had to be. While the main home hasn't suffered from subsidence, this isn't supported to be specifically due to the foundation depth. The site investigation report shows two trial pits, one with the presence of roots. The other trial pit, at the other end of the property, went down to a depth of 700m with no roots detected.
- I acknowledge the comments RSA have made about the length of time the conservatory has stood not being a guarantee period and that it feels tree growth should have been factored into the workmanship and design when it was built. However, it was estimated to have been built around 30 years before the subsidence happened and there is no information available which confirms what vegetation was in place at the time and therefore what depth the foundation should have been built at. So, I don't think this argument is relevant here.

- So, in summary, I don’t think RSA have acted fairly in applying the exclusion in these circumstances and it should now proceed to deal with the claim.
- I’ve considered what Mr R has said about RSA’s handling of the claim, Including the time it took for RSA to handle matters such as establishing the year the conservatory was likely to have been built. I understand Mr R feels very strongly about what has happened and I appreciate why he considers I should award a significant amount of compensation. However, having reviewed everything available to me, I’m satisfied the total of £1,400 compensation RSA has offered is fair and reasonable in recognising the impact its actions have caused in its handling of the claim.

Putting things right

To put things right RSA should:

- Proceed to deal with the claim in line with the remaining terms and conditions of the policy.
- Pay Mr R £1,400 compensation.

My final decision

My final decision is that I uphold Mr R’s complaint.

To put things right I direct Royal & Sun Alliance Insurance Limited to do as I’ve set out above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr R to accept or reject my decision before 18 August 2025.

Michael Baronti
Ombudsman