

## **The complaint**

Ms M and Mr T have complained about the amount Royal & Sun Alliance Insurance Limited (“RSA”) offered to settle a claim they made on their home insurance policy.

As Mr T has primarily dealt with the matter, I’ll refer to him on behalf of Ms M for ease of reading. Reference to RSA includes its agents and representatives.

## **What happened**

The circumstances aren’t in dispute, so I’ll summarise the background:

- After he noticed damp to the kitchen walls, in May 2024 Mr T got in touch with a contractor, C, to look into the cause of the problem. C discovered a leak from the bathroom above, found underneath the bath and within the bathroom wall. Mr T then got in touch with RSA in June 2024 to make a claim for the cost of repairs.
- RSA accepted the claim in principle. It was agreed the claim would be settled by cash payment as Mr T planned to have the work carried out by C. RSA’s cash offer was mainly based on the cost of repairs to the bathroom. It didn’t include much toward the cost of repairs to the kitchen because it said this damage would have been clearly visible – and for a long period of time before the claim was made.
- Mr T complained. RSA maintained its position on the kitchen repairs. But it accepted its service had fallen short when it cancelled an appointment without letting Mr T know. It offered £100 compensation.
- Our investigator thought RSA had acted fairly and didn’t ask it to do anything further.
- Mr T disagreed and asked for the matter to be referred to an Ombudsman, so it’s been passed to me.

## **My provisional decision**

I recently issued a provisional decision in which I said:

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

- The policy covers damage caused by water escaping from a fixed system. As that’s what happened here, RSA accepted the claim in principle.
- Mr T has noted that RSA didn’t include the cost of the leak repair in the settlement offer – which was £100. That’s in line with the policy, because it covers the damage caused by the water leaking – not the cost of stopping the leak itself.

- RSA has covered the bathroom damage, and some minor work to the kitchen, and I understand none of that is in dispute. The dispute is about whether RSA should cover more extensive repairs to the kitchen.
- RSA accepts there's more damage caused by the water leak. But it says this damage isn't covered by the policy due to a term which says:
  - [You] must take all reasonable steps to avoid incurring liability and prevent loss or damage to everything covered by this insurance, and to keep all the property insured in good condition and good repair.
- In short, RSA says Mr T didn't fulfil this term. Based on the extent of the water damage in the kitchen, RSA said it would have been visible for a long period of time prior to Mr T making the claim.
- On the other hand, Mr T says he took steps to investigate the water damage in the kitchen as soon as he saw it.
- I'll consider the evidence provided by both parties to decide whether I'm more persuaded by RSA or Mr T.
- Mr T got in touch with C in late May 2024. I understand he'd noticed some mould earlier that month and cleaned it. But, when it returned, he asked C to investigate.
- C inspected around a fortnight later and said it found 'significant' water damage to the kitchen walls. It later said this amounted to 'visible signs of dampness and early mould growth'. It estimated the leak had been ongoing for around 2-3 weeks at that time – which means around mid May.
- RSA's agent inspected in late June and said they thought the leak had been ongoing 'for some time'. They also said the damage was 'long term' and included 'historic damp'. They didn't set out a more specific timescale.
- Another of RSA's agents inspected in mid July. They estimated the leak began 'more than six weeks ago'. That means prior to late May or early June. That's consistent with C's estimate of when it began and when Mr T said he noticed the problem.
- The photos taken by RSA's agents show significant water damage, staining and mould, so I can understand why RSA gave consideration to the length of time the damage would likely have been evident in the kitchen. But, by that time, the leak had been ongoing for seemingly around six to eight weeks – so a worsening of the damage is to be expected.
- The weight of professional opinion, combined with Mr T's recollection of events, indicates the leak and initial damage likely began in May 2024. Mr T took steps to address it by cleaning it and, when that proved insufficient, by getting in touch with C. When that revealed a leak, he got in touch with RSA soon after.
- In these circumstances, I'm satisfied Mr T took reasonable and timely steps to deal with the water damage problem – and complied with the policy term RSA noted. So I'm not satisfied it was fair and reasonable for RSA to exclude most of the kitchen damage from its cash settlement offer.

- To put things right, RSA should reconsider the settlement offer to include work to put right all of the escape of water damage to the kitchen. I understand Mr T hasn't had work carried out in the kitchen, so it may be possible for RSA to offer to carry out the work. If not, or a cash settlement is preferred, the damage may have worsened and/or the cost of repair may have increased. So there are a number of points to be considered, which I intend to leave the parties to do to ensure the settlement treats them both fairly in the circumstances.
- In addition, RSA should pay further compensation. I'm satisfied the £100 it offered for the cancelled appointment was fair. But because the kitchen repairs were unfairly declined, Mr T has been living with the damage for much longer than he should have done. He arranged for the bathroom repairs in October 2024. Had the kitchen repairs not been declined, I think it's likely he would have arranged for the kitchen repairs around the same time. That's likely to mean a delay of around ten to twelve months carrying out this work – and living with the damage.
- In these circumstances, RSA should pay an additional £400 compensation, making £500 in total. If it already paid the £100 it offered, it need only pay £400 more.

### **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.

- RSA didn't accept my provisional decision. It shared a photo from when the property was marketed for sale in 2022 and said it showed an ongoing damp issue long before the claim was made.
- The photo isn't very clear. But it does appear to show some staining to the kitchen wall, in the same area as the current damage. RSA says it also shows staining to the ceiling, but I don't think the photo is clear enough to support this. Nonetheless, I take RSA's point that some staining was present prior to the claim.
- The staining in the 2022 photo is faint. By 2024, the damage was significantly worse. The staining was much darker and more widespread. There was also clear staining to the ceiling, and the surface of the wall had bubbled and split in places. On the face of it, this could mean there was a problem in 2022 which worsened over time. Or there was mild staining in 2022 and, in 2024, a new leak from the bathroom caused significant damage in the same area.
- Bearing in mind the professional opinions I considered in my provisional decision, I consider the latter option is the more likely. C and one of RSA's agents estimated the leak had begun around May 2024 – and that was consistent with Mr T's recollection. The other agent didn't give an estimate.
- So I'm persuaded, based on the available evidence, it's likely that the bathroom leak caused most of the damage to the kitchen wall in May 2024 – though some staining was already present. And Mr T took reasonable and prompt steps once he became aware of the damage caused by the leak. In these circumstances, I remain satisfied that RSA should reconsider the settlement offer, and pay additional compensation, as set out in my provisional decision.

- Mr T accepted my provisional decision. He said the damage hadn't been repaired and had worsened, so he would ask C to reassess the cost of repair. Once he does that, Mr T should share the new quote with RSA for consideration.
- I won't specify how the claim should be settled, as there are a number of factors for RSA to consider. It may wish to offer to carry out the repairs. Or it may wish to cash settle the cost of repairs and consider what a reasonable amount would be. Mr T may have a preference between RSA repairs and a cash settlement. I'll leave RSA to consider and explore these points with Mr T.

### **My final decision**

I uphold this complaint.

I require Royal & Sun Alliance Insurance Limited to:

- Reconsider the settlement offer to include work to put right all of the escape of water damage to the kitchen.
- Pay a total of £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M and Mr T to accept or reject my decision before 13 August 2025.

James Neville  
**Ombudsman**