

## **The complaint**

Mr M is unhappy with the way Royal & Sun Alliance Insurance Limited trading as More Than ("RSA") dealt with a subsidence claim on his buildings insurance policy.

Any reference to RSA includes its agents acting on its behalf.

## **What happened**

Mr M held a buildings insurance policy with RSA. In 2019, he made a claim for subsidence damage to his home. The claim continued for several years and was the subject of multiple complaints, some of which were referred to our Service.

This complaint relates to the period between October 2023 and February 2024. During that time, repairs began to Mr M's home. He was placed in temporary alternative accommodation and his possessions were put into storage.

Mr M regularly visited the property to monitor the repairs. He raised concerns about the timeliness and quality of the work and the professionalism of RSA's contractors. Despite a site meeting with RSA's representatives, Mr M remained dissatisfied with the ongoing remedial work. This included re-plastering, decorating and cleaning, and repairs to internal walls and the garden path. He eventually told RSA he'd lost confidence in the contractors.

In late November, RSA agreed a cash settlement of £1,800 to allow Mr M to arrange the remaining work himself. Mr M planned to carry this out during the final days of his stay in alternative accommodation before his possessions were returned.

However, due to a miscommunication, RSA did not extend Mr M's accommodation as expected. As a result, Mr M had to change location at short notice. Mr M said this caused a lot of distress and left him without enough time to complete the repairs and maintain his full-time job, so he felt forced to take time off work. RSA acknowledged the error and paid Mr M £400 based on his lost earnings.

Mr M asked our Service to review the matter. Our Investigator thought RSA should pay Mr M a further £250 for distress and inconvenience. RSA accepted this. Mr M didn't agree. He told us the £400 was to cover his lost wages and the £1,800 was to fund repairs, neither amount recognised the emotional toll of the situation. He said the experience led to a relapse in his depression and anxiety, requiring support from his doctor and medication. He also had extended periods of time off work which severely affected his income. He felt RSA's handling of the situation caused this and warranted more than £250 of compensation.

Mr M disagreed and so the complaint was passed to me to decide. I issued a provisional decision setting out why I intended to award £700 of compensation. I said:

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

I've only summarised the background of the complaint and the arguments of the parties. This isn't intended as a discourtesy. I've thoroughly read and considered the points and evidence both parties have put forward.

My decision concerns events between October 2023 and February 2024, excluding a complaint about damage to furniture, which has been dealt with separately.

Having reviewed the evidence relating to this period, I agree with our Investigator that the complaint should be upheld – but I intend to award more compensation.

I've reviewed internal notes from RSA and its contractors as well as the correspondence Mr M has provided. It's clear to me that Mr M became unhappy with the quality of repairs very quickly. He visited the property several times and repeatedly raised concerns about workmanship and professionalism. He followed up his concerns in writing, and I've seen the written notes he made after the site meeting with RSA's representatives in mid-November. Mr M continued to find further issues with the work, including unfinished or poorly completed areas, which led him to lose confidence in the contractors. I can understand why, in light of that breakdown in trust, a cash settlement was eventually agreed.

Mr M told us the £1,800 settlement reflected what he expected it would cost to hire his own contractors – around four days' work by three people at £150 per day. I haven't seen anything to suggest the settlement included compensation for the distress of having to organise the work himself, or for the earlier issues with the repairs. Rather, it appears to have been a practical agreement to settle RSA's outstanding liability and avoid further costs and delays. I don't think this was an unreasonable way to settle the snagging issues, but I understand why Mr M feels RSA didn't properly acknowledge the emotional disruption he experienced.

I think the same holds true for Mr M's alternative accommodation. RSA accepts it made a mistake by allowing this to end a few days before Mr M was due to return home. This meant he had to move to another location with little notice. Mr M explained to RSA that this caused significant stress and disruption, and I can understand why this affected his ability to complete the repairs in the time he'd set aside.

RSA paid Mr M £400. Internal notes show this was largely based on Mr M's expected lost earnings for his time off work (around £311), plus a small uplift. While RSA described the payment as 'inconvenience allowance', there's little indication that it included much in the way of compensation for the disruption, stress and added pressure this mistake caused. I think it was reasonable that RSA compensated Mr M for his foreseeable financial losses, but I think it was also a missed opportunity to recognise the emotional impact on Mr M.

I've also seen there were significant communication challenges between Mr M and RSA and its agents, with Mr M struggling to get hold of staff working on his claim, conflicting messages and staff changes causing confusion and repeated explanations, which I think would have added to the stress and frustration.

I've thought about the fairest way to put this right. Mr M would like RSA to compensate him for distress and inconvenience as well as for his lost wages, as he holds RSA responsible for extended periods of absence from work

I've carefully considered Mr M's request for RSA to cover his lost wages. I was sorry to read about the effect this situation had on his mental health, including needing to

seek medical help and resume medication he'd stopped a few years before. However, to make an award for lost income, I would need to see medical evidence clearly linking Mr M's absence from work to RSA's specific failings, rather than the stress of a long and complex claim in general. Without that evidence, I can't fairly hold RSA responsible for the lost earnings beyond what's already been paid.

Even so, I think RSA should pay further compensation. Between October 2023 and February 2024, Mr M faced substandard repairs to his home, poor communication, and last-minute disruption to his living arrangements. He was left to coordinate outstanding work himself while managing a full-time job, against the backdrop of a very long-running claim. RSA was made aware of Mr M's mental health history in November 2023. In line with industry expectations for vulnerable customers, I think RSA ought to have shown greater care in how it managed and communicated with Mr M during that time.

Our investigator recommended £250. Given the issues I've reviewed, the extent of hassle and distress caused, and Mr M's underlying vulnerability, I think a higher award is justified. In total, I consider £700 to be fair compensation. So, this is what I intend to award, rather than the previously suggested £250.

I know this doesn't go as far as Mr M would like, but I'm satisfied it represents fair redress based on the information I have available."

## **Responses**

RSA said it accepted my provisional decision.

Mr M said he partly agreed but felt the impact on him was more severe than I had suggested. He provided further context for me to consider.

He explained that in September 2023 he was in tears and distressed and took a day off work. In mid-October he saw his doctor with symptoms of an anxiety attack, which the doctor linked to stress. In November, he was referred for counselling. By late-January, Mr M said he could no longer cope and was signed off work for several weeks, where he lost wages.

Mr M provided fit notes confirming he was signed off with depression from 2 February to 1 March 2024.

## **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.

I've taken into account Mr M's response to my provisional decision and the fit notes he's provided. I've weighed carefully the impact that RSA's failings had on him during the period under review – October 2023 to February 2024.

It's clear Mr M experienced significant distress during this time, alongside short- and long-term inconvenience, because of the mistakes and service issues I've identified.

I want to reassure Mr M that I've taken into account everything he's said about the effects this matter has had on him.

The fit notes confirm Mr M was signed off with depression during part of the period in question. However, I'm afraid they don't establish that this was caused by RSA's specific

failings, as opposed to the stress that would normally be expected from a long-running and complex subsidence claim involving major reinstatement works. Mr M has also said that he suffered from depression before, which makes it harder to conclude that this absence from work during the period I've reviewed was primarily caused by RSA. Without more detailed evidence from a medical professional linking the deterioration in Mr M's mental health to RSA's poor handling of the claim, I'm still unable to require RSA to pay Mr M's lost wages.

With that said, I remain of the view that RSA acted unfairly. As set out in my provisional findings, by November 2023, RSA knew Mr M was vulnerable and struggling with his mental health, so it should have handled the claim with greater care. Mr M's additional information reinforces my conclusion that RSA's actions caused him a significant amount of distress and inconvenience during the period I've considered.

In my provisional decision, I concluded that £700 was fair compensation for this impact. Having considered Mr M's further comments and evidence, I haven't found reason to change that assessment. I still consider £700 to represent fair redress in all the circumstances.

If Mr M is able to obtain further medical evidence linking his time off work directly to RSA's actions, he may wish to provide this to RSA for it to consider.

Mr M has also been in touch with RSA about more recent issues with his property. These fall outside the scope of my decision here. But if Mr M is unhappy with RSA's final response in relation to those issues, he can refer the matter to our Service as a separate complaint.

Having reviewed the complaint again, my opinion hasn't changed. The findings of my provisional decision, together with my additional comments here, now form my final decision.

### **Putting things right**

To resolve this complaint, I direct RSA to pay Mr M a further £700 of compensation for distress and inconvenience.

### **My final decision**

I uphold Mr M's complaint and direct Royal & Sun Alliance Insurance Limited trading as More Than to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 September 2025.

Chris Woolaway  
**Ombudsman**