DRN-5780729

Financial Ombudsman Service

The complaint

Mrs A and Mr D complain that Royal & Sun Alliance Insurance Plc (RSA) have failed to settle their claim, provided poor service when dealing with their claim for an escape of water.

What happened

Mrs A and Mr D held a buildings and contents insurance policy with RSA, and in September 2021 they made a claim for an escape of water. This was cash settled.

Mrs A and Mr D engaged their own builders to do the work but due to the pandemic, and the availability of tradespeople, completion was delayed. In March 2023 while undertaking some of the final work and fitting a drain in the bathroom, Mrs A and Mr D's tiler noticed that there was still water under the concrete.

Mrs A and Mr D contacted RSA and initially RSA said that as the claim had been cash settled, there was nothing further they could do. However, after a complaint, in May 2023 they issued a final response saying that they would consider any quote for additional works.

In October 2023 RSA sent out one of their contractors to trace the source and assess the damage. The contractor reported that there was no new leak, and that the damage was attributable to the previous leak in 2021 and should be dealt with under that claim.

RSA the authorised the repair, and on 1 November 2023 their contractor removed the concrete floor and insulation from Mrs A and Mr D's bathroom floor. The contractor said that he couldn't find anyone to dry it out, and so Mrs A and Mr D hired their own driers.

Nothing further happened, and in December 2023 Mrs A contacted RSA about reinstatement of the floor.

RSA then responded saying that they were denying liability, as there was a cash settlement for this claim in 2021 they wouldn't be making any further payment.

Since then, Mrs A and Mr D have repeatedly contacted RSA trying to get to the bottom of what has happened but to no avail.

They raised a complaint about this, and final responses were issued on 4 December 2023, 31 January 2024 and 10 June 2024. RSA offered £50 compensation in their 31 January response for the inconvenience caused but denied liability because they had previously cash settled.

Mrs A and Mr D brought their complaint to us on 10 July 2024 which means that I can only consider the last two final responses dated 31 January 2024 and 10 June 2024.

One of our investigators looked into Mrs A and Mr D's complaint. He thought that RSA could do more to resolve this complaint, and he recommended that RSA complete the reinstatement work and pay Mrs A and Mr D £300 for the distress and inconvenience caused. That view was later revised, and our investigator increased this compensation to £600.

RSA disagreed with our investigators view, and so the case came to me to review.

I issued a provisional decision on the complaint. My provisional findings were as follows:

I'm upholding this complaint, and I'll explain why.

I have to decide whether RSA have acted fairly in declining to cover the water damaged concrete floor, and whether their service has fallen below the expected standard.
I'm upholding this complaint but with a slightly different outcome to our investigator and I'll explain why.

Claim decline and Completion of Works

RSA have told Mrs A and Mr D that they are declining to cover to removal and reinstatement of the concrete floor as it relates to the previous leak which was cash settled in 2021.

I've considered the documents from the 2021 claim, and I can see that the cash settlement offered by RSA was for the following works:

> *" Buildings*
>
> *In the bathroom the PVC wall covering, wet room floor covering, damaged section of the wall plaster and stud wall and architrave will need to be removed and replaced along with associated decoration. The sanitary ware will be removed and refitted. In the bedroom cupboard the damaged section of wall plaster and stud wall, the skirting boards, floorboards and architraves will need to be removed and replaced along with associated decoration. The current boiler is on one of the walls in the cupboard, that has been damaged by the leak, and the boiler will need to be removed and refitted to allow the repairs to be carried out.*
>
> *Drying programme and protective measures will also be required."*

A cash settlement of £5283.07 was agreed for this, plus disturbance allowance for six weeks to enable the works to be completed.

This description of works doesn't include removal and reinstatement of the concrete floor and insulation.

And so, it appears that it wasn't included because at the time that the damage was assessed in 2021 it wasn't obvious that the concrete sub floor had been affected. It was only when having the shower drainage completed – which was sometime later – that the standing water in the sub floor was noted.

As this damage wasn't apparent to Mrs A and Mr D, nor to RSA when the cash settlement was made, it wasn't included in the scope, and so I don't think it is fair for RSA to decline to pay for this removal and reinstatement work by saying that it can't be paid because of the previous cash settlement. I'm therefore satisfied that RSA should either undertake the work themselves or make a further cash settlement in respect of this.

I can see that RSA's contractors removed the floor at RSA's request in November 2023 as part of the trace and access shortly before they declined the claim, so the further settlement should be for drying out and reinstatement of the insulation and concrete to make good the floor.

Delays and service

Mrs A and Mr D first became aware of the additional damage in March 2023, and they notified RSA straight away. There was then a period of delay until RSA initially sent a contractor out in October. I haven't seen any explanation from RSA as to why there was a delay here.

In November 2023 RSA's contractor removed the concrete floor and insulation, leaving the subfloor and underfloor heating pipes exposed. The contractor then said that Mrs A would need to contact the insurer, as he couldn't find a local contractor to deal with the drying out. Later in November, Mrs A and Mr D were contacted by another contractor on behalf of RSA who was instructed to remove and install new concrete flooring. Mrs A advised the contractor that the other contractor had already removed the concrete, and it needed drying out first. She was unable to get through to RSA and so arranged for her own driers and contacted the second contractor on completion of drying to reinstate the concrete. However, the contractor said they had no further instructions from RSA to complete any work.

Mrs A and Mr D contacted RSA, who told them that the claim had been cash settled in 2021, and there was no further payment due.

Despite Mrs A repeatedly asking for an explanation of why RSA had agreed to the claim and then declined it, and why they had removed her floor and not reinstated it, she still hasn't received a satisfactory response.

Mrs A is a vulnerable consumer, and RSA were aware of this from the outset of her claim, and yet the removed a floor in her property and then did nothing to rectify this. Mrs A's bathroom is specially adapted for her, and she has had to use the second bathroom with some makeshift adaptations since the floor was removed, without any end in sight.

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.

Mrs A and Mr D have responded and accepted my provisional decision, but RSA haven't replied.

In view of that, I'm making my final decision in line with my provisional findings.

Putting things right

In order to put things right I think RSA should:

- Complete the works to reinstate the insulation and concrete bathroom floor, or if RSA are unable to do so, offer a cash settlement for the value of what it will cost Mrs A and Mr D to get the work completed themselves.

- Pay the cost of any driers hired to dry out the floor, and the associated electricity costs if evidenced by Mrs A and Mr D, plus simple interest of 8% on any of these costs from the date they were incurred until the date of settlement.

- Pay Mrs A and Mr D £750 for the distress and inconvenience caused.

My final decision

My decision is that I'm upholding Mrs A and Mr D's complaint about Royal & Sun Alliance Insurance Limited and asking them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr D to accept or reject my decision before 25 September 2025.

Joanne Ward
Ombudsman