

complaint

Mr A complains that Royal & Sun Alliance Insurance Plc (“RSA”) has poorly handled a claim he made under his buildings insurance policy.

To keep things simple, any reference I make to RSA includes its agents unless specified.

background

This complaint concerns events up until RSA’s final response letter in January 2019. The events that have followed will form part of a complaint considered separately by our service. The background to this complaint is well known to both parties. So, I will summarise events here. Mr A has had an ongoing claim related to subsidence with RSA for a number of years.

In November 2018 Mr A complained to RSA. He raised a number of concerns about the handling of the claim including various communication errors and related delays and requirement on him to chase for information. He also complained of mistakes within RSA’s schedule of works and other documents, and misplaced house keys that had been in the possession of RSA’s contractors. Mr A has said he in part had to manage the project because of the consistent mistakes he had to draw its attention to.

In January 2019 RSA wrote to Mr A with its final response letter. Within this it agreed it had made mistakes by telling him works had been completed when they hadn’t, and that he had to chase for this information. RSA also said it failed to arrange an appointment with Mr A and had visited without prior agreement against his wishes. And it agreed with Mr A’s comments that its schedule of works included inconsistencies which he had to chase to be rectified – which it attributed to a system issue.

RSA apologised for the mistakes it had made, and it said it would pass back feedback to the relevant areas to prevent these issues reoccurring. It also offered Mr A £300 for the delays, distress and inconvenience caused. Mr A said RSA hadn’t considered all parts of his complaint and hadn’t given him a satisfactory reason or explanation for some of these errors. And he said RSA wouldn’t have appointed a surveyor to oversee the entire claim if he hadn’t complained in the first instance.

One of our investigators looked into what happened and upheld the complaint. He said RSA’s appointment of a technical engineer to oversee future work was fair. But he said RSA had failed on a number of occasions to provide accurate information about the claim – which it had accepted. The investigator said he hadn’t seen enough to show these mistakes were deliberate but recognised how the reoccurring issues compounded the frustration caused. He also said RSA had mishandled a concern raised about the missing key and should’ve taken responsibility for the actions of its contractors.

The investigator explained our service was unable to make commercial directions to RSA about the operation of its business or root cause analysis on the problems that occurred – and instead he had looked at the impact of the issue and how to put this right. And overall he said RSA should pay Mr A £750 in total for the distress and inconvenience caused.

We didn’t hear back from RSA, but Mr A replied with his thoughts which I’ve summarised below.

- It had been two sets of house keys that had not been returned to Mr A initially (not one), and RSA had unfairly relied on its contractor's word on the matter despite previous issues with the same agent demonstrating they were not reliable.
- RSA's response to provide training was not adequate as a solution, and instead it should provide an explanation to how its internal controls could allow these mistakes to be made;
- RSA's mistake around the final schedule of works was worsened as it inaccurately attributed this to a system issue and not a human error or negligence;
- Mr A reiterated his concerns about RSA's agent misleading him, and his belief that the contractors had intentionally deceived him about the claim proceeding; *and*
- RSA failed to consider all parts of his complaint.

Mr A has also said he was grateful for the investigator's findings, but felt the compensation awarded didn't reflect the impact of RSA's mistakes and mismanagement of the claim. So the complaint has been passed to me for an ombudsman's decision.

my findings

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'm upholding this complaint and largely for the same reasons as our investigator. I'll explain why. Mr A has said he accepts that the problems related to the schedules, RSA's incorrect insistence that works were completed, and finalising the claim prematurely have now been put right. I also understand Mr A also had his two sets of house keys returned after some back and forth.

Put simply, it seems to me the issues Mr A has raised are now resolved. And RSA for the most part has accepted the majority of these failings, agreeing it had made various mistakes. It hasn't responded on the topic of the missing keys. But having considered it myself, I agree with our investigator and I'm satisfied it was wrong for RSA to not take responsibility or attempt to resolve this matter which led to further problems for Mr A.

The matter that remains in dispute is how these mistakes came about or were allowed to happen. Mr A has said the problems are indicative of fundamental failings in the internal controls of RSA's agent. And he's explained in detail how he would like an explanation to how its internal controls over the management of this project could be so poor as to allow the problems to have occurred. He's also said its clear that some of the miscommunication on RSA's part was intentional.

I can understand Mr A's frustration and reasons for wanting an explanation for each of these issues. But my role isn't that of the regulator or to carry out a forensic analysis of how things may have gone wrong. And instead I have focused on whether the claim has progressed as it should have done so – taking into account RSA's obligations under the relevant rules. And if things have gone wrong, I've then considered the impact of this on Mr A.

I acknowledge Mr A believes RSA intentionally kept information from him about the progress of the claim. I've considered the evidence he's presented to support this, but I'm not persuaded this is enough to safely conclude this accusation is most likely.

However, I'm satisfied RSA's handling of this claim was neither prompt nor fair, and on a number of occasions it didn't provide appropriate information on the progression of the claim

as it should have done so (whether intentional or not). In turn I've thought about the impact of this on Mr A. He's detailed the impact RSA's mistakes have had on him and the level of effort he has had to personally put in to have the claim progressed. I don't doubt this and having looked over the life of the claim I think Mr A has remained very patient and measured in response to a series of mistakes that he shouldn't have had to have dealt with.

Having considered this carefully, I'm persuaded that RSA should increase its settlement to £750 in light of the impact of its mistakes.

my final decision

I'm upholding this complaint. Royal & Sun Alliance Insurance Plc must pay Mr A £750. From this it may deduct £300 if its previous offer has been already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 March 2021.

Jack Baldry
ombudsman