complaint

Mr V complained because Royal & Sun Alliance Insurance Plc ("RSA") declined his claim for water damage to his property. He was also unhappy with the way his claim had been handled eg no reply to letters, no assessor being sent to inspect the damage.

background

Mr V lodged a claim under his home insurance policy for damage to his roof and boiler. He said there were splits/cracks in a felt roof that had allowed rain water to enter the property which in turn damaged the wooden panels upon which the felt sat and the boiler below. Mr V said that the splits/cracks in the felt had probably been caused by a painter's ladder three to four years earlier.

RSA declined the claim. It said the damage had not been caused by an event covered by the policy (it referred to storm), but was due to gradual deterioration and wear and tear of the roof.

Mr V complained to RSA about its decision and about the delay in it responding to his letters.

RSA maintained its decision on the claim. It did however apologise for not replying to earlier letters and offered Mr V £200 compensation for the distress and inconvenience caused.

The complaint was considered by two of our adjudicators. Both concluded that it should not be upheld. In summary, they felt RSA's decision to decline the claim was fair as it had not been shown that the damage was covered by the policy. They also felt the compensation offered by RSA in recognition of its claim handling was fair.

Mr V did not agree with our adjudicators. He made detailed representations and re-iterated the deficiencies in RSA's handling of his claim. He also felt that the damage to the felt and the boiler was not due to gradual deterioration over time – the only things that had deteriorated were the wooden panels.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

declined claim

Mr V's policy was similar to most on the market in that it provided cover for damage caused to his property by a range of insured events. The insured property included the boiler and the roof. The insured events were listed in the policy and included fire, storm, flood and theft.

As with any policy, for any claim to be successful it is a requirement for Mr V *in the first instance* to establish that he has a valid claim – that is, that damage has been caused to property insured by the policy by a listed insured event. It is not for RSA to establish the claim on Mr V's behalf. If Mr V is unable to overcome this requirement, his claim will fail. If he is able to establish a valid claim, RSA is required to settle it unless it can show that it is defeated by a policy exclusion.

For the avoidance of doubt, and to address a point Mr V made, it is not necessary (or indeed a requirement) for an insurer to send out an assessor or loss adjuster until the policyholder has established their claim. Usually, it is only once the claim has been established that the insurer will decide whether to appoint an assessor or loss adjuster to handle the claim on its behalf. To appoint an assessor every time a policyholder lodges a claim would unnecessarily increase overall claims costs, which in turn would lead to insurance premiums rising further.

In essence, RSA's position is that Mr V did not establish a valid claim. Whilst there was obviously damage to his property, RSA felt Mr V had not shown that it was caused by an insured event. In fact, it felt the damage was caused by something specifically excluded from cover.

As outlined above, Mr V thought the felt was probably damaged by a painter's ladder cracking or splitting it. The water that entered the property through the cracks/splits pooled and ultimately damaged the wooden panels and the boiler. Neither of these events – damage by the painter's ladder or ingress/accumulation of water – were insured events listed in Mr V's policy.

For the roof (either the felt or the wooden panels) and the boiler to have been covered, Mr V had to demonstrate that they were damaged by an insured event. An example might have been storm force winds blowing a tile off a roof and splitting the felt; or storm force rainfall (which is not the same as general rainfall over a period of time) penetrating the crack/split in the felt and damaging the panels and/or boiler.

Mr V has made several arguments in support of his complaint. However, the outcome of this case in my view boils down to the simple fact that Mr V has not overcome the hurdle of establishing a valid claim. Indeed, one of our adjudicators specifically pointed out to Mr V that she was unclear which insured event he thought caused the damage. And despite his detailed responses, Mr V did not confirm which insured event he thought caused the damage.

As Mr V has not established a valid claim, I conclude that RSA's decision to decline the claim was neither unfair nor unreasonable.

There are three points raised by Mr V that I will address. The first concerns the fact that the roof had another three to five years of useful life. This may have been the case, but it does not alter the fact that no insured event has been shown to have caused the damage.

The second point concerned consequential loss/damage. In essence, Mr V was told by RSA that the damage to the boiler was a consequence of water leaking through the damaged roof and was therefore not covered.

Consequential losses (eg the reduction in market value of a property following a large claim such as subsidence or fire) are not something generally covered by a home insurance policy. In this case, it is clear that the damage to the boiler was a consequence of the roof leaking – if there had been no cracks/splits in the felt, water would not have entered the property and that water would not have damaged the boiler.

However, that did not automatically render Mr V's claim invalid. The claim might (I say 'might' because other terms of the policy might have come into play) have been covered if it was established that the water that entered the property and damaged the boiler was a result of storm force rainfall.

Although it is not directly relevant to the outcome of this complaint, Mr V used an example of a motor vehicle running into the wall of his house with sufficient force to bring down all or part of the roof and asked if the insurer would pay to repair the roof and the wall. The short answer is yes – assuming 'impact of motor vehicles' was an insured event and it could be shown that the damage to the roof was caused by the vehicle impact.

The final point refers to part of Mr V's response to our adjudicators' assessment where he referred to the 'emergency' cover provided under the policy and the fact that RSA had not made any payment in this respect.

I cannot see that a claim of this nature has been specifically addressed or considered by RSA. That is possibly because it was not specifically raised by Mr V prior to him bringing his complaint to the Financial Ombudsman Service (although that raises another argument about whether it needed to be raised or whether RSA should have automatically thought about it when considering the main claim). In any event, as the matter has not been considered by RSA it is inappropriate for me to make any judgement on it in this decision.

Nevertheless, it seems fair and reasonable to me that this part of the claim should be considered by RSA. And RSA has confirmed to me that it will now consider this part of Mr V's claim.

I need to make two things clear. The first is that RSA's agreement is not tantamount to it agreeing to settle this part of the claim – it has simply agreed to investigate and/or consider the claim to establish whether any settlement is due. The second is that if Mr V is unhappy with RSA's consideration of the emergency claim he will be free to lodge a new complaint to RSA. And if deadlock is reached, he will be free to lodge a new complaint with the Financial Ombudsman Service.

claim handling

When considering how a claim has been handled and how much, if any, compensation to award, I do not look at each and every issued raised or analyse each failure. Rather, I look at the handling as a whole and the effect it had on the consumer. Furthermore, I only award compensation for the distress or inconvenience suffered as a result of the poor handling of a claim – I do not award compensation for distress or inconvenience that was inevitable as a result of the claim.

I have concluded above that RSA's decision to decline the claim was fair. Accordingly, there are no grounds for me to consider any distress or inconvenience Mr V suffered as a result of RSA's decision. I do however acknowledge that some aspects of RSA's claim handling – for example, it not responding to Mr V's letters, confusion caused by numerous offices being involved – caused Mr V distress and inconvenience that he would not otherwise have suffered (although I am not persuaded that they ultimately affected the outcome of the claim).

However, RSA has already offered Mr V £200 compensation for the additional distress and inconvenience it caused. In my view this is fair. It is "in the ballpark" of what I would have considered awarding had the offer not already been made. I do not therefore consider there to be grounds to make a further award.

my final decision

My final decision is that I do not uphold this complaint. I make no award against Royal & Sun Alliance Insurance Plc.

Paul Daniel
ombudsman