

## **complaint**

Mr and Mrs M complain about the poor handling of their claim under their building insurance policy by Royal & Sun Alliance Insurance Plc (RSA).

## **background**

Mr and Mrs M's property, which was let to tenants, suffered a leak under the bath and the damage included the room below. After several months Mr and Mrs M complained that the repairs hadn't started and the damage was getting worse.

RSA looked at the complaint and offered compensation of £300 to Mr and Mrs M for the delays. Since then there have been further delays and Mr and Mrs M have complained again. RSA said it would consider a further award of compensation at the end of the repairs, but when the repairs were concluding it only offered a goodwill payment of £49 to cover a plumbing bill.

The adjudicator recommended that the complaint be upheld. She said Mr and Mrs M had accepted the £300 compensation for the first six months delay and she thought this was fair. She said a further delay had caused them more inconvenience and RSA should pay them a further £300 compensation. The adjudicator said that RSA should reduce the costs of the claim recorded on Mr and Mrs M's claim record to that required without the delays.

RSA agreed, but Mr and Mrs M disagreed. They said they hadn't received an apology or explanation from RSA and hadn't accepted the compensation awarded for their previous complaint as it wasn't sufficient. They requested an ombudsman review the whole period of their claim.

## **my findings**

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

From when Mr and Mrs M made their claim, until their tenants were able to return to the property took over 10 months, and the whole claim took nearly a year. I think the work should have been completed in about two to three months and so I think the claim was unacceptably delayed by RSA and its agents.

I'm concerned that the insurer didn't respond properly to Mr and Mrs M's previous complaint by preventing further delays from occurring. However, I'm pleased that RSA, through its agents, has apologised to Mr and Mrs M for its unacceptable service and the inconvenience and stress this has caused them. It said that a mistake was made about underinsurance which delayed the start of the work, but also acknowledged that issues involved in the claim should have been assessed much earlier.

RSA's poor handling appears to be due to a breakdown in communications between the insurer and its agents and contractors, and this led to delays in getting the work started and confusion about the repairs required. The consequence of this was that Mr and Mrs M received misinformation or no information for long periods of the claim and unnecessary delays occurred. I sympathise with Mr and Mrs M for the stress and inconvenience this caused them.

I don't think the £49 RSA offered Mr and Mrs M in addition to its previous offer of £300 is sufficient compensation for the problems it caused. I think that in order to reflect the impact of the delays on Mr and Mrs M for the duration of the claim a payment of £600 compensation, in addition to the payment of £49, should be paid. This includes the offer of £300 compensation RSA made for the initial complaint. I further agree with the adjudicator that the costs of the claim borne by RSA as a consequence of the delays should be removed from Mr and Mrs M's claim records.

### **my final decision**

For the reason I have given it is my final decision that the complaint is upheld. I require Royal & Sun Alliance Insurance Plc to pay Mr and Mrs M £600 compensation in respect of its poor service and delays during the whole time that it was handling their claim. This is in addition to the £49 payment it has already made.

I also require Royal & Sun Alliance Insurance Plc to amend all records of Mr and Mrs M's claim so that the costs of the claim are equal to that required without the delays.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 10 February 2017.

Andrew Fraser  
**ombudsman**