

## **The complaint**

Mr C is unhappy with what Royal & Sun Alliance Insurance Limited (RSA) did after he made a claim on his legal expenses and rent guarantee insurance policy.

All references to RSA include its agents and claims handlers.

## **What happened**

Mr C has a Landlord Legal Expenses and Rent Guarantee policy. RSA is the insurer. In December 2021 Mr C (through his representatives) contacted RSA as an eviction notice for his tenant had expired and they hadn't vacated his property. He then made a further claim as the tenant was in rent arrears. RSA asked for further information and said in mid-February it would refer the matter to panel solicitors.

At the start of March, the panel solicitors confirmed the notice Mr C had issued was valid. RSA confirmed it would make payment under the rent guarantee section of the policy. A payment of £6,300 was made at the end of March and a further payment of £2,100 was made on 8 May. The legal claim ended when the tenant left the property around the same time. A final payment under the rent guarantee policy was made in July.

Mr C complained about delay by RSA in carrying out the assessment of his claim and asking for information he'd already provided. And he said there had been delay in processing the rent guarantee payments that were then agreed. RSA accepted there had been issues with this and offered £100 in compensation.

Our investigator agreed there had been customer service failings in dealing with Mr C's claim. And there had also been delays in making payment to him under the rent guarantee part of the policy. He thought RSA should pay a total of £350 in recognition of the impact that had on Mr C.

RSA agreed to do so. Mr C didn't agree. He didn't think the compensation was enough to recognise his time in dealing with these issues and the financial hardship caused by the delay in payments being made. So I need to reach a final decision.

## **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.

The relevant rules and industry guidelines say RSA has a responsibility to handle claims promptly and fairly. It shouldn't reject a claim unreasonably

I've looked first at the terms and conditions of Mr C's policy. This does cover "*costs to evict anyone in the property without your permission*". And it provides a rent arrears guarantee where "*an insured event occurs under 'Breach of Tenancy' and you are, where appropriate, pursuing legal action under this policy*".

However, the policy also set out a number of conditions that must be met for a claim to be accepted. That includes "*the event and action required are covered by this insurance under the Insured Events section. The event must have happened within the territorial limits and during the period of insurance*". And the claim must have reasonable prospects of success.

So, after Mr C made his claim, RSA did need to consider whether it met the terms of the policy before cover could be provided. I don't think it was unreasonable of it to ask Mr C for further information. That included the reason for issuing the eviction notice (as RSA needed to check whether this was an issue which predated the start of his policy). And it was right RSA subsequently referred matters to panel solicitors for a legal assessment.

However, I agree that process could at times have been moved forward more quickly. For example, there appears to have been an initial delay in considering the claim after it was received at the start of December. When RSA subsequently asked Mr C for more information it sent that request to the wrong email address which caused further delay. And I can see that on some occasions Mr C was asked for information he'd already provided.

Once it was agreed cover was available under the rent arrears guarantee section of the policy it did take RSA longer than it should have done to make those payments. I appreciate that didn't match with the expectations RSA was setting for this in its communication with Mr C and his representatives.

I've thought about what the right way to recognise the impact of those failings on Mr C is. I don't think they led to him missing out on any rental payments that would otherwise have been covered by the policy. His tenant's arrears didn't exceed the six months maximum payable under the policy. So I don't think it would be reasonable to expect RSA to pay three months rent as he initially requested.

But I do appreciate the delay in progressing his claim and receiving payment under the rent guarantee section of the policy will have been frustrating for Mr C and caused him inconvenience. However, while he's referenced financial hardship caused by the delay there would always have been a lag between a claim being made and payment being agreed. So I'm not persuaded this is something RSA is responsible for.

I appreciate that Mr C has had to put time into dealing with the matter. But I'm mindful of the fact some of that would have been required even if there hadn't been any failings by RSA. Taking all of that into account I think the £350 our investigator recommended is the right amount to put things right in this case.

Finally, I can see in his initial complaint to us Mr C raised concerns about how the panel solicitor handled matters once they began acting on the case. RSA isn't responsible for the actions of the panel solicitor and that isn't something I can consider. If Mr C remains unhappy with what the panel solicitor did he may wish to make a complaint direct to them and potentially progress that to the Legal Ombudsman if he's unhappy with their response.

### **My final decision**

I've decided to uphold this complaint. Royal & Sun Alliance Insurance Limited will need to pay Mr C £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 4 October 2023.

James Park  
**Ombudsman**