DRN-4382932

The complaint

Mr B and Mrs H complain about how Royal & Sun Alliance Insurance Limited ('RSA') dealt with their home insurance claim.

RSA are the underwriters (insurers) of this policy. Some of this complaint concerns the actions of their appointed agents. As RSA accept they are accountable for the actions of their agents, in my decision, any reference to RSA should be interpreted as also covering the actions of their appointed agents.

In my decision I'll refer mainly to Mrs H as she's primarily been dealing with this claim and complaint.

What happened

The background to this complaint is well known to both Mr B, Mrs H and RSA. These events have taken place over a very long period of time – as the initial claim was first made in 2016. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mrs O had a home insurance policy with RSA. In 2016 Mrs H's property was unfortunately flooded, following heavy rainfall. She made a claim against her home insurance policy with RSA for the resulting damage to the property and her contents.

During the course of this claim, Mrs H became increasingly unhappy with how RSA were handling things. She appointed her own loss assessor ('B1') to handle the claim on her behalf. RSA ultimately agreed with B1's schedule of works and associated costs. B1, not RSA appointed the work contractors from that point.

Mrs H raised dissatisfaction with RSA on a number of occasions about various issues relating to the claim across a number of years. She had previously referred a complaint to our Service which has been closed since 2018.

In 2022 Mrs H complained again to RSA. They responded not upholding the complaint, but offered to settle a contents claim for £19,346.59. They also offered Mrs H a further opportunity to present any additional information about any other payments she'd made. As Mrs H remained unhappy, she referred her complaint to our Service for an independent review.

Our Investigator didn't uphold the complaint and as Mrs H didn't accept her findings, the complaint has been referred to me for 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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to

either party – it simply reflects the informal nature of our Service. For example, both parties are already aware that these events have been going for an extensive amount of time and I've only summarised the key points of the background earlier in my decision.

The scope of my decision

Our Service won't continually reinvestigate or revisit issues that we've made findings on many years ago after closing a complaint. Aside from the relevant DISP rules we must operate under, we're an impartial, informal alternative to the Courts and leaving complaints open ended would mean we couldn't offer an efficient service to the many customers who come to us for a resolution to their dispute with a financial business.

Our Investigator's issued opinions on earlier complaints related to this claim in March and July 2018. In the first view, the Investigator said:

> *"What I have considered is the whole claims handling process from when the claim was made to date* [March 2018]" and:
>
> *"I reviewed everything that happened to date, and any new events/issues would need to be raised as new complaint points and addressed separately."*

In the second view, another Investigator agreed with the earlier view and explained that Mrs H could have the ongoing issues considered at a later date should problems persist. However, I find he stated in error that we'd only considered events up until the complaint had been referred to our Service in February 201 – as the earlier view from March 2018 clearly stated events up until that point had been considered.

The reason I need to make this clear is because I note that Mrs H in response to our Investigator's view on this complaint sent a detailed reply and more evidence (specifically a forensic buildings report) related to the initial drying out process which RSA were responsible for. I need to be very clear to Mrs H that I *will not* be making any findings on the early stages of this claim (pre March 2028). This is because my decision will only look at the complaint referred to our Service following a final response letter dated 27 August 2022. In that letter, RSA (in summary said):

- they'd not be commenting on events prior to our Service's involvement in 2018 which we'd already considered,
- any issues with the repair, workmanship or drying issues needed to be directed to B1,
- they'd previously requested further supporting evidence of losses incurred by Mrs H, and
- they made an offer of £19,346.59 to settle the remaining claim (contents and other costs).

I also need to be clear to Mrs H that I can only consider the actions of RSA when responding to this claim (post March 2018) and the actions of their appointed contractors/agents. From what I've seen large parts of Mrs H's complaint relate to the actions of B1 and subsequent loss assessors appointed by her. I note the terms 'loss adjuster' and 'loss assessor' have been used interchangeably in this complaint. For clarity, a loss adjuster will generally work on behalf of the insurer (RSA) and a loss assessor will work on behalf of the insured (Mrs H).

Based on what I've seen, any issues with workmanship here are not solely the responsibility of RSA - due to most of the contractors being appointed by B1 and other loss assessors on Mrs H's behalf.

How have RSA considered the claim and how have they treated Mrs H overall – buildings claim?

A large part of the remaining dispute here relates to the condition of Mrs H's property and whether this was caused by the initial drying out by RSA or not. As outlined earlier, I'm not making findings on events that took place prior to March 2018.

When I've considered the evidence, I'm satisfied that RSA responded appropriately when the issues with air quality were brought to their attention. They agreed to cover the cost of air scrubbers. I agree that it took some time for this decision to be made and this will have been frustrating for Mrs H. But I can see communication was happening between RSA and the relevant parties here behind the scenes to try and find a way forward. This was complicated by liability being disputed between the relevant parties.

I've also had to weigh this up against the other evidence which shows that Mrs H or her appointed agents didn't ensure that the property was still heated during repair works to help the drying out process. I note the comments about a prepaid meter meaning this was made more difficult, but it doesn't mean it shouldn't have happened or that RSA should have been responsible for ensuring the property was heated. I've also noted a separate issue where it's recorded by RSA that contractors were unable to issue drying certificates as they *"regularly turned up to monitor the drying only to find equipment was not running."*

Emails from May 2018 also show that the air scrubbers were delayed being installed due to a lack of response/contact from Mrs H.

Overall, I don't find any failing on the part of RSA (when made aware of any potential issues) to the extent that compensation would be appropriate. Mrs H's responsibility for the general maintenance of the property did not cease just because a claim was ongoing. Mrs H has said:

> *"Although they provided something towards the fuel costs, the amount they were prepared to pay was limited and the meter stopped when their allocation ended. They failed to make sufficient payments to keep the power and gas on.*"

I've seen no evidence that Mrs H reached out to RSA to make them aware of this at that time to request that further payment be made. Mrs H has made reference to expert opinions that the heat being on would not have achieved very much and actually led to increased bacteria/contamination. Whilst I can follow the logic that warmer temperatures can create better conditions for certain bacteria to multiply, the alternative to this is the property remains cold and doesn't dry any further without heating (during the cooler months).

I find the position taken by RSA to direct Mrs H back to B1 around any issues relating to repairs carried out by their appointed contractors to be fair and reasonable. The arrangement here appears to have been B1 arranged repairs/contractors on Mrs H's behalf and RSA ultimately paid for them. I note from the file that Mrs H appears to have acknowledged that B1 are responsible for some delays too. For example, an email from her dated 5 July 2018:

> *"When we first contacted* [B1], [name redacted by Ombudsman] *asked me if any SWAB tests had been carried out and if a surveyor had been. I replied saying that they had not and* [name redacted by Ombudsman] *said that he was going to arrange them both…..no tests were arranged…..you did not pick up on the fact that these tests has still not been done….*

> *It wasn't until the builders noticed that the house was still damp, that* [third party business]*, were brought in and finally these tests were started, almost a year after we employed* [B1].
>
> *I hope this clarifys* [sic] *why we are saying that* [B1] *have caused delays too."*

Contents

A dispute arose over some of the contents that remained upstairs in the property and needed to be removed to allow a cleaning process to take place. Whilst I've placed to one side the earlier finding that responsibility did still remain with Mrs H to ensure the unaffected areas of the property were maintained (for example by having the heating on), eventually RSA agreed to advance payment that would then be deducted from the overall contents settlement. Whilst it did indeed take some time for RSA to approve payment, I'm satisfied that it was a positive step that meant Mrs H didn't have to find the funds to pay for this from elsewhere.

RSA were entitled to request reasonable evidence to verify the contents part of the claim – for example proof of ownership. I've found no sufficiently persuasive evidence that RSA unfairly valued items. This is a normal course of action in this type of claim.

I'm satisfied that the offer made by RSA in their final response letter dated 27 August 2022 to settle the outstanding contents claim is fair, reasonable and proportionate. Mrs H should discuss this offer with RSA if she's not accepted it or been paid yet. I'm making no further direction that the offer needs to increase.

Other points raised

As explained, this has been a long running and complex claim. As the deciding Ombudsman, I've decided what I need to directly address in the decision and what I don't – but I have carefully considered all of the extensive evidence in this complaint.

I'm saddened to hear of the overall impact this long running dispute with RSA has had on Mrs H and her family. With any insurance claim there will almost always be a level of inconvenience - especially where the insured needs to move out of their family home. In this case, because of Mrs H's family circumstances, the impact will have been compounded.

Mrs H has told us she's not able to confirm that she's received all payments that RSA say they've sent so far. I've asked our Investigator to contact RSA who will update Mrs H on what has been paid to her.

Mrs H and her family spent an extensive amount of time in alternative accommodation when repair works were ongoing. Mrs H raised issue with the relevant landlords retaining some of the security deposits – which RSA would deduct from the overall settlement. I find that RSA were not in a strong position to challenge the landlord's decisions and can fairly deduct this from the overall settlement. Mrs H says one deposit was retained due to RSA not paying rent that was due. It's my understanding that RSA paid rent that was due for the dates that they agreed for Mrs H to be lawfully in the alternative accommodation.

I also find that RSA don't need to do anything further in relation to Mrs H's additional costs around this time (eating, travel and higher utility bills). RSA say Mrs H failed to provide them with the requested council tax bills in a timely manner. Mrs H says she did send them. I make no finding that they've done anything wrong or are responsible for Mrs H's credit score being affected due to any unpaid bills. I note that in the July 2022 final response letter RSA

have, again, left the door open for Mrs H to provide supporting documents for the additional expenses she's incurred. This is fair and reasonable.

Alternative accommodation was provided until the point B1 let RSA know that the required repair works had taken place. This is what I'd have expected to happen.

My decision will ultimately disappoint Mrs H but it brings to an end our Service's involvement in trying to informally resolve her dispute with RSA.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs H to accept or reject my decision before 11 December 2023.

Daniel O'Shea
Ombudsman