

The complaint

Mr and Mrs P complain about how Royal & Sun Alliance Insurance Limited (RSA) has dealt with a claim under a buildings insurance policy.

Any reference to RSA includes the actions of its agents.

What happened

Mr and Mrs P have a subsidence related building insurance claim that has been ongoing for some time. They've made a number of complaints, some of which have been determined previously. The scope of this complaint is for the period 18 June 2022 to 22 December 2022 – the latter date being when RSA sent its final response on this complaint.

The parties are well aware of the background, but the main concerns relate to misdiagnosing the root cause and the delays this has caused, together with poor management over a sustained period of time.

RSA has accepted responsibility for causing avoidable delays, albeit this came after we had started our investigation. In its final response RSA also accepted:

- Poor communication about a site visit and lack of responses that meant Mr and Mrs P needed to chase RSA.
- A poorly executed temporary repair requiring further remediation.

To put things right RSA has offered £500 compensation and:

- A cash settlement with additional repairs, or
- A named company to complete repairs with piled foundations.

Our investigator thought a total of £950 compensation was a fairer reflection given she thought it unlikely the claim would have progressed without Mr and Mrs P's insistence. She said RSA had failed in several ways from poor communication and the consequential delays.

Mr and Mrs P don't think the compensation is enough to reflect the trouble they've been put to. And they feel under pressure to accept a cash settlement to rectify conservatory foundations and rebuild it - but they have concerns about whether proper repairs will be carried out to other parts. So, they want an ombudsman to make 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.

Having done so, I agree with the outcome our Investigator reached. But before I explain why, it's important to set out that my decision is only focussing on the issues which I consider to be relevant to deciding this complaint. Whilst the parties have sent a wealth of information – which I've reviewed - my decision won't replicate the same level of detail. This isn't meant as

a discourtesy but is to reflect the informal nature of this service.

In its final response, RSA set out two options for Mr and Mrs P to choose between to move the claim to a final position. Both of which I consider to be fair and reasonable in the circumstances. If Mr and Mrs P haven't decided which course of action they want to take, they'll need to let RSA know. And if they have, RSA will be aware of its obligation to provide a lasting and effective repair in respect of any remedial work it carries out.

So, what's left for me to consider is whether £950 compensation fairly reflects the difficulties Mr and Mrs P experienced. Mr and Mrs P have asked me to keep in mind their overall claim journey and say the current compensation won't encourage RSA to improve its service to customers.

Whilst I recognise previous difficulties with this claim will have compounded Mr and Mrs P's frustrations, I'm only considering compensating them for any shortcomings on RSA's part - and the implications of these - which fall within the scope of this complaint. Compensation isn't awarded to punish businesses – rather it's to recognise any detrimental impact the insurer's actions, or lack of action, has had on a consumer.

The situation Mr and Mrs P find themselves in is by its very nature stressful and so, it wouldn't be reasonable to attribute *all* the difficulties they have experienced to RSA. But it's not in dispute that RSA's service did fall short, and it has acknowledged this. I don't consider it necessary to detail these, but a holistic review of how the claim was handled shows a culmination of shortcomings which led to Mr and Mrs P having to put in a significant amount of time and effort to ensure it progressed.

I'm also mindful that RSA initially said the repairs would take approximately two to three months to complete and were due to be completed in November 2022. But this schedule wasn't adhered to, and I'm satisfied this was largely attributable to RSA's handling of things. And understandably these delays were greatly felt by Mr and Mrs P given they were concerned about the condition of their property.

The above, coupled with the inconvenience of a poorly executed temporary repair, satisfies me that £950 total compensation fairly reflects the difficulties Mr and Mrs P have experienced.

My final decision

My final decision is I uphold this complaint and direct Royal & Sun Alliance Insurance Limited to pay Mr and Mrs P £950 compensation in total. If RSA has already paid £500 – as per its final response – it can deduct this amount from the total amount of compensation.

RSA must pay the compensation within 28 days of the date on which we tell it Mr and Mrs P accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 15 December 2023.

Nicola Beakhust
Ombudsman