

The complaint

Mr N and Mrs H complain that Royal & Sun Alliance Insurance Limited (“RSA”) declined a claim they made under their home insurance policy.

Reference to RSA includes agents and representatives. Mr N and Mrs H have been represented but, for simplicity, I’ll refer to Mr N as the lead policyholder only.

What happened

The circumstances aren’t in dispute, so I’ll summarise the background:

- Mr N returned from holiday to find a nearby embankment had collapsed and, as a result, caused damage to the hardstanding and stone driveway. He thought heavy rainfall had washed away the embankment. He got in touch with RSA.
- RSA appointed a loss adjuster and D, a chartered structural engineer. D said the failure of the embankment hadn’t caused any damage to the home or impacted its structural stability. They thought the embankment was inherently unstable because of its composition and steepness. And the storm water was merely a contributory factor to the collapse, in part because of the design of the drainage system.
- The loss adjuster declined the claim because there was no damage to the home. It also raised other points about the design of the drainage system and the adequacy of the embankment prior to the problem.
- Mr N complained but RSA maintained the claim was declined for the same reasons. However, it noted a delay communicating the outcome with Mr N and paid £100 compensation as a result.
- Our investigator thought RSA had declined the claim fairly. Mr N disagreed. He said that prior to the collapse, the slope was “gentle” and it had stood the test of time. And when the home was built, none of the professionals involved were concerned about the composition of the embankment.

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 policy covers damage caused to the *buildings* in a number of specific ways, known as ‘insured events’. The word *buildings* is defined in the policy to include, amongst other things, the main home, drives and drains.
- The relevant insured events in this case are storm, flood, subsidence or landslip, accidental damage, and accidental breakage of drains. I’ll consider whether it was fair for RSA to decline to cover the claim under any of these sections of the policy by looking at each separately.

Subsidence or landslip

- The policy covers damage to the *buildings* caused by subsidence or landslip. But it doesn't cover damage to drives or drains caused by subsidence or landslip unless the main home is damaged by the same cause at the same time.
- There's no evidence to suggest the main home has been damaged by subsidence or landslip. So even if the drive and/or drains were damaged in this way, the claim can be fairly declined under this section of the policy.

Flood

- The policy covers damage to the *buildings* caused by *flood*. RSA says the way it has defined the word *flood* in the policy means the claim isn't cover under this insured event. I agree.
- Within the definition, it says "part of the body of water enters your *home*", where the word *home* means the main building itself – and doesn't include drives or drains.
- There's no evidence to suggest water has entered the main home. So even if the drive and/or drains were damaged by flood, the claim can be fairly declined under this section of the policy.
- Mr N has questioned whether the drive should be considered a part of the home. It's not defined in the policy that way. And I'm not persuaded a drive is integral to a home. Many homes don't have drives but are nonetheless able to be used as normal.
- Arguably drains are integral to a home. But there's separate cover for damage to the drains under the policy, which I'll consider below. So I don't think it's unreasonable for RSA to effectively exclude drains under the flood section of the policy.

Accidental damage

- The policy covers damage to the *buildings* caused by *accidental damage*. But under this section, it doesn't cover damage caused by any other insured event which is specifically excluded under that insured event.
- Given what I've said about the insured events above, even if there was *accidental damage* to the drive and/or drains, the claim can be fairly declined under this section of the policy.

Storm

- The policy covers damage to the *buildings* caused by storm. It says "a storm will involve very strong winds powerful enough to cause structural damage to homes within its path. It's usually accompanied by torrential rainfall".
- Mr N said the embankment was damaged by heavy rainfall. That's not entirely in keeping with the policy description of 'storm' noted in the bullet point above. But, in some cases, significant rainfall can amount to a storm. Mr N has provided evidence to show the area in which he lives experienced much higher than usual rainfall at the relevant time, suggesting there may have been storm level rainfall. But I don't think I need to make a finding on whether there was a storm or not. I'll explain why.

- D has been very clear in their opinion that the embankment failed primarily due to the way it was constructed – the composition of material within it and its ‘over-steep’ slope. They say the water was a contributory factor – but only as a result of the drainage being positioned contrary to planning drawings.
- Photos support D’s comments about the composition of the embankment – there’s a wide variety of materials within it, some of which are clearly unsuitable. I note Mr N has questioned D’s opinion. He says the slope was much gentler prior to the problem, that it had stood for a long time without incident, and its nature wasn’t questioned by professionals when Mr N’s home was built several years. These comments haven’t been supported by evidence at this time.
- I bear in mind D is a highly experienced chartered structural engineer with significant credentials. And I haven’t seen any other professional opinion that might challenge what D has said. So I have no reason to doubt D’s professional opinion based on the information currently available to me.

Accidental breakage of drains and pipes

- The policy covers “accidental breakage of drains and pipes used to provide services to or from your home”. This is essentially cover for damage to the drains only – not to the main home or the embankment.
- The drainage pipes in the embankment have clearly broken and I understand at least some of them provide services from the home, taking surface water away from it. So, on the face of it, the policy covers the breakage of the drains.
- However, as noted above, D says this drainage wasn’t positioned in line with the planning drawings. They also say the drains didn’t have statutory consent. In these circumstances, I’m not persuaded it would be fair to require RSA to pay for the broken drains based on the information currently available to me.

Overall

- Having considered the evidence about the cause of the damage, the policy wording, and what I think is fair and reasonable in the circumstances, I’m satisfied RSA fairly declined the claim based on the information available. That included taking expert advice from a suitably qualified and experience professional.
- I understand Mr N has considered taking professional advice of his own. He’s entitled to do so and share it with RSA. If he does, I would expect it to consider whether that changes its position and let him know promptly.
- I’m satisfied there were only minor delays during the claim and the £100 compensation RSA has paid is a reasonable remedy to that.

My final decision

I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr N to accept or reject my decision before 27 November 2023.

James Neville
Ombudsman