

The complaint

Mrs M complains about the way Royal & Sun Alliance Insurance Limited (RSA) has handled a buildings insurance claim.

References to RSA include the actions of its appointed agents who dealt with the claim.

What happened

The background is well known to the parties, so I'll just give a summary here:

- Claim made in March 2020, but Mrs M was too unwell to respond to RSA further and the claim was closed.
- Mrs M reinitiated contact in September 2021 and RSA appointed surveyors to attend, which they did in October 2021.
- The report identified ground movement but that a further inspection was needed to establish the cause. Further inspections were carried out and RSA shared information / reports with Mrs M.
- Mrs M contacted RSA in the December and later asked RSA to liaise with her agent (a building contractor).
- In January 2022, further reports became available about tree work that was required and Mrs M was duly informed. RSA made several attempts to contact Mrs M and shared information with her agent.
- In April Mrs M authorised tree works, which were completed in May. In June Mrs M asked when her contractor could complete the repair works and followed up again in July as she'd heard nothing from RSA.
- In mid-July RSA apologised for delays in communicating with Mrs M and agreed to offer a cash settlement based on her contractor's quotation. Mrs M was asked to provide an up-to-date quotation, which was sent in August, but it became apparent that Mrs M's contractor had increased the repairs significantly as it had omitted several rooms from its initial quote.
- No further progress was made by RSA and Mrs M contacted RSA on several occasions and in November Mrs M raised a complaint. RSA accepted poor communication and offered £450 compensation.
- Our investigator explained why he thought RSA's offer was fair. Mrs M disagreed saying it didn't reflect the interest she'd had to pay on the mortgage and that the delay stopped her selling the property.

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.

Insurers are required to handle claims promptly and fairly. What's apparent is that there were delays in progressing the claim. Some of the delays were due to RSA and this had an impact on Mrs M as she had to chase RSA for replies. And at a period when she suffered some ill health this intensified the distress.

I bear in mind that while there was a period of over two years, there were times where Mrs M couldn't engage with RSA even though it tried to contact her. Additionally, RSA instructed agents promptly and timely visits were made. RSA agreed Mrs M's initial quotation for repairs and then the revised quotation albeit further information was reasonably required regarding the cost.

There were periods in June and post-August where RSA let Mrs M down by a lack of communication. Overall, having thought carefully about what happened I think the impact was considerable. RSA had identified that Mrs M was vulnerable and several weeks were wasted. I am satisfied though that £450 compensation is a fair offer and reflective of the impact RSA's delays caused.

I have considered Mrs M's points about the sale of the house and the interest payments on the mortgage. There was nothing to stop Mrs M putting the home on the market and mortgage lenders require interest to be paid on the sums they lend. From when the claim was initiated, even if there were no delays on RSA's part, the settlement would still have been delayed because Mrs M's agent had to submit a revised quote as the initial one had omitted several items. So, for me, that limits the overall impact of the delay on the agreeing of a cash settlement.

My final decision

I am aware that Royal & Sun Alliance Insurance Limited has made an offer to pay £450 compensation. I conclude that such an offer is fair and reasonable in all the circumstances. My decision is that Royal & Sun Alliance Insurance Limited should pay Mrs M £450 if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 6 October 2023.

Sean Hamilton
Ombudsman