

The complaint

Mr C complains that Royal & Sun Alliance Insurance Limited ("RSA") have incorrectly recorded claims made on his policy which he says is affecting the price when looking to take out home insurance with other insurers.

What happened

Mr C had home insurance with RSA which also included home emergency cover. Mr C complained to RSA as he was concerned about two claims which had been recorded on his policy. One was for a claim in August 2021 and another in January 2022. RSA responded and explained they're required to register all claims. They said, all incidents leading to a customer calling RSA to make a claim are registered as claims, and these are then logged on the Claims and Underwriting Exchange ("CUE"). They explained this database holds all reported incidents over the last six years, including those where a claim wasn't made. They said insurers use CUE when a customer is buying insurance. They explained the only circumstances where RSA doesn't register claims and report them to CUE is where the call relates to a theoretical scenario. They explained, where there was an incident, but the claim is not covered or pursued, then this would still be set up as a claim and will be logged on CUE. RSA listed the home emergency claims showing on Mr C's policy and which had been reported to CUE. This included the two claims Mr C was complaining about. RSA explained they're required to note all claims, whether paid out or not – which they'd done in this case. So, they didn't uphold the complaint.

Our investigator looked into things for Mr C. He thought RSA hadn't acted unreasonably in recording the claims. Mr C disagreed so the matter has come to me for a 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've decided not to uphold the complaint. I understand Mr C will be disappointed by this but I'll explain why I have made this decision.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute. Out of the claims showing on Mr C's policy, he complains about two – which he believes should be removed. There's a claim made on 2 August 2021 for accidental loss for £0, and a claim made on 27 January 2022 for accidental loss for £406.

In relation to the August 2021 claim, Mr C says, after he reported the incident to RSA, he sorted out the problem himself. He says he called back shortly after to explain the issue was resolved and RSA cancelled the claim. Mr C believes this shouldn't be recorded as a claim as no money was paid out. In relation to the January 2022 claim, Mr C says he reported an issue with the hot and cold water in his shower. He says RSA sent an engineer who carried out an inspection and explained the shower was faulty and needed replacing. Mr C says he arranged his own plumber to fit a new shower, but the problem still remained. Mr C says he

informed RSA and they sent another engineer who said the previous engineer's opinion wasn't correct. Mr C says he complained, and RSA then paid him compensation and reimbursed the costs he'd incurred. Mr C believes this shouldn't be recorded as a claim as the money paid out to him was for compensation.

RSA have provided claim notes and system notes for both claims. In relation to the August 2021 claim, the notes show Mr C called RSA to report an issue with his boiler. He explained it was showing a fault code and he had no heating or hot water. The notes show Mr C called back around half an hour later to say the issue had been resolved and the claim was cancelled. RSA have provided a screenshot of their system which shows the claim was cancelled with no money paid out. I can see the issue was resolved by Mr C without RSA needing to send out an engineer to investigate or incur any costs to resolve the problem. So, I do acknowledge why Mr C is concerned about this showing on his policy.

The CUE is a database which records information about motor and home incidents, as well as other areas. An insurer has a duty to make accurate records. If an insurer is signed up to CUE, then they will make a record of any incident they've been made aware of, whether that leads to a claim or not. In this case, I agree with Mr C that this report didn't lead to a claim requiring RSA to pay out any costs. But a report was made, and a claim was initially registered. Even though the problem was resolved by Mr C without RSA incurring any costs, the information shows RSA were made aware of an incident. So, given there's a duty on RSA to make accurate records, I can't say they've acted unfairly in recording this incident.

In relation to the January 2022 claim, the system notes show Mr C called RSA to report an issue with water escaping from the boiler, and the water only running lukewarm. The notes show engineers attended but Mr C was given conflicting information about the cause of the issue. The notes say Mr C complained the first engineer felt the issue was with the heat exchanger, but the second engineer felt it was with the shower. The notes say RSA acknowledged they'd made errors involving delay and not giving Mr C updates, so they paid £100 compensation. The notes say Mr C decided to replace the shower but would invoice RSA if this didn't resolve the issue. Mr C then replaced the shower and called RSA to complain as this didn't resolve the problem. RSA then paid a further £100 compensation and also reimbursed Mr C £209.99 for the parts and labour. A further visit was arranged for an engineer to attend, and they found the main heat exchanger had gone as well as other issues. Given the costs involved to repair, the engineer felt the boiler was beyond economical repair, and this was agreed by RSA. I can see RSA then explained Mr C's policy didn't include any boiler contribution.

I acknowledge why Mr C is concerned – he believes the costs paid out by RSA represent a combination of compensation and reimbursement for costs he'd incurred. Mr C says RSA themselves are responsible for these costs being incurred so it's unfair for this to be showing against his policy. But, looking at the information provided by RSA, I don't believe the claim amount showing on his policy represents the amount paid to Mr C. I say this because, firstly, the amount paid to Mr C totals £409.99 – but the amount showing on his policy for this claim is £406. Secondly, the claim notes provided by RSA show other costs were paid out. For example, there were three engineer visits, and the notes show a fixed fee had been agreed for this. There's a breakdown provided by RSA and this totals £406.20. So, I believe it's more likely than not the amount recorded on the claim represents these costs. And that being the case, I don't think it's unfair for this to be recorded as it reflects the costs RSA have paid out.

That said, I think it's important to make the point that insurers are required to record what they've actually paid out in relation to a claim on CUE even if this includes costs to put right things which have gone wrong as well as any compensation. This ensures the overall amount recorded for the claim on CUE reflects what the insurer has paid out overall on the

claim. So, even if it did represent the costs paid to Mr C, then I can't say RSA would've acted unreasonably in recording this.

I understand why Mr C has complained, and I hope he feels reassured that I've checked the information carefully. But I can't say RSA have acted unfairly in the way they've recorded the claims information. I wish to reassure Mr C I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

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.

Paviter Dhaddy
Ombudsman