

## **The complaint**

Mrs C and Mr H complain about how Royal & Sun Alliance Insurance Limited ("RSA") handled their escape of water claim under their home insurance policy.

RSA are the underwriters of this policy, i.e. the insurer. Part of this complaint concerns the actions of the agents. As RSA have accepted it is accountable for the actions of the agents, in my view any reference to RSA includes the actions of the agent.

## **What happened**

Mrs C and Mr H have home insurance with RSA. The policy started in April 2021. The policy provided cover for buildings, contents, and home emergency.

They noticed a leak under the toilet pan in the bathroom in November 2021. So, they called the home emergency line.

The escape of water was coming from the toilet waste pipe. A contractor came out to repair the leak but didn't have the right size part and so did a temporary fix. Mrs C noted it was still leaking. The water was coming up through the flooring when it was walked on. So Mrs C reported the matter again.

The contractor came out again and when trying to repair the leak damaged the tiles and toilet pipe. The waste pipe contained asbestos so needed to be removed by a specialist contractor. Mrs C says the faulty repair to the leak in the first instance caused the problems that followed. Had the repair been carried out properly that wouldn't have happened.

Mrs C says the floor in the toilet was swollen with moisture and because the leak wasn't repaired the damage extended to her kitchen. The repairs weren't completed to a good standard and caused further issues in the home.

Mrs C wants compensation for the work to correct the job, and for the stress the matter has caused. Mrs C says they spent time in hotels in winter and weren't reimbursed for the additional taxi use or cover for meals. Because Mrs C wasn't happy she complained to RSA.

RSA said when it attended after the initial call to report the leak the contractor had concerns there was asbestos in the pipework and so this needed to be tested before any work was carried out. RSA accept there were delays in dealing with the claim so it paid Mrs C £125 to reflect the distress and inconvenience, it reimbursed her for the cost of the electrician to replace two spotlights, reimbursed her for the cost of breakfast while they were in the hotel, and agreed to waive the £350 excess.

Mrs C wasn't satisfied with the response from RSA and so she referred her complaint to this service. One of our investigators looked into things for her. He upheld Mrs C's complaint. He said RSA acknowledged failings and made efforts to put things right, but Mrs C hadn't been fully indemnified. He said RSA should offer a cash settlement for the remainder of the repair work or allow RSA to come and finish the work – this includes the toilet, floor, kitchen ceiling,

bath panel, and pipe. The investigator said the compensation offered is in line with what we'd expect given the circumstances.

Mrs C didn't agree. So the investigator looked at the complaint again. He said Mrs C hadn't been indemnified and will have the distress and inconvenience of having contractors in her home again. So he said RSA should pay Mrs C £300 and rectify the remaining issues in resolution of the claim.

### **My provisional decision**

I recently issued a provisional decision setting out my thoughts on the key complaint points and how I thought matters might best be resolved. I said;

*"I'm minded to uphold it. I'm issuing this as a provisional decision as I've gone further than our investigator and I'm proposing to require RSA to pay additional compensation to Mrs C.*

*There is a lot of information about the claims Mrs C made, and I've looked through everything provided. The detail is well known to both parties so I haven't described the claim in any great detail here. I'll comment on any relevant evidence where appropriate to explain my decision. It is also not my intention to minimise the effect the claim has had on Mrs C and Mr H; and their physical and mental health. I recognise the impact the matter has had on the family and I empathise with the difficulties they've clearly faced.*

### **Disturbance allowance**

*Industry practice is that disturbance allowance should be paid at a rate of £10 per day for each adult in the family and £5 per day for each child living at the insured property. So I'm satisfied RSA's award for the disturbance allowance was reasonable in the circumstances of the claim.*

### **Remaining repairs**

*It isn't in dispute that Mrs C's property has suffered from damage caused by the escape of water and the subsequent repairs, or that her policy provides cover for this. It also isn't in dispute that the claim has taken some time to reach this point, which will have been upsetting for Mrs C.*

*I appreciate Mrs C has been trying to obtain quotes from various contractors in order to get the repairs completed in her home, and this has been difficult for her for various reasons. I also understand she has refused to have RSA's contractors into her home given what she's experienced.*

*RSA could offer Mrs C a cash settlement for the remainder of the works but if Mrs C is unable to get anyone to complete the repairs a settlement won't necessarily get her any closer to where she was prior to the escape of water. Equally there are contradictions in the evidence provided so, for example, RSA believe the ceiling has been patch repaired and the whole ceiling skimmed and painted, but Mrs C says this hasn't happened.*

*It's also important to note what Mrs C's policy provides cover for and what RSA are liable for given the issues with the initial repair.*

*RSA has already agreed to some of the costs of the complaint including waiving the excess, reimbursing the cost of breakfast, and reimbursing the cost of replacing two light fittings. Since our service became involved RSA have also agreed to cover the flooring estimate and said it would consider the work to the ceiling if Mrs C could evidence work was required.*

*RSA also said it would agree the drain investigation invoice if it was to investigate the toilet. So, I think it's fair to say RSA has tried to resolve this matter for Mrs C and has told this service it wants the best outcome for her. I can see RSA tried to work with Mrs C to the best of its ability.*

*I think it's accepted that some of the work carried out by RSA's appointed contractors wasn't of an acceptable standard. RSA did offer to arrange to carry out corrective work but Mrs C understandably wasn't willing to have another RSA appointed contractor to do these works. She wanted to appoint a contractor of her own choosing and I can understand this.*

*I could direct RSA to make a cash settlement offer to Mrs C for the repairs but there isn't currently any agreement about what work, if any, remains outstanding. RSA are only liable for the damage from the escape of water and inadequate repair. So it's important there is agreement around what work remains outstanding.*

*I think the appointment of an independent surveyor to review what's been done and to provide an updated scope of works including all outstanding work is reasonable. Once the scope has been successfully concluded RSA should offer a reasonable cash settlement based on the costs of an agreed contractor. I think this is a fair way to resolve all the issues regarding the repairs that have been carried out poorly and the work that still needs to be done. RSA doesn't have a never-ending liability to Mrs C or this claim. And so I think it is appropriate to now bring the matter to an end and settle things fairly. I am therefore upholding Mrs C's complaint but I realise my directions to put things right will disappoint her since I'm not requiring RSA to meet all of Mrs C's outstanding claims for recompense.*

*To resolve this matter RSA should appoint an independent surveyor to provide a revised scope of works to consider the work already done that Mrs C is unhappy with, and any outstanding issues not already dealt with that are as a result of the escape of water and for which RSA is responsible for. RSA should then make a cash settlement based on reasonable costs of a contractor agreed by both parties.*

*Our investigator recommended RSA pay Mrs C £300 for the distress and inconvenience caused by the matter, in addition to what RSA had already offered. I've considered the problems to date. I think RSA should pay £400 in compensation to Mrs C for the distress and inconvenience she has suffered as a result of the poor work already done and the issues faced in trying to resolve the complaint."*

### **Response to my provisional decision**

I asked both parties to send me any further evidence or arguments they wanted me to consider. RSA asked for clarification on the level of compensation awarded. And Mrs C provided evidence of the claims RSA has recorded for the matter. She also explained RSA hadn't contacted her about her claim.

I think it would be helpful to explain RSA are awaiting my final decision before taking any further steps.

### **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.

In light of the fact that neither Mrs C nor RSA had any new information or evidence to add to the findings set out in my provisional decision (which I've reproduced here and which forms

part of this final decision), I'm satisfied it represents an appropriate way to resolve the dispute. For the reasons set out above I'm upholding Mrs C's complaint.

### **Putting things right**

I require RSA to;

- Appoint an independent surveyor to provide a revised scope of work for any outstanding issues;
- Offer a cash settlement for the works required based on the reasonable costs of a contractor;
- Pay £400 in compensation to Mrs C and Mr H for the distress and inconvenience they have suffered

### **My final decision**

For the reasons explained above I'm minded to uphold this complaint and direct Royal & Sun Alliance Insurance Limited to resolve the matter by doing what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr H to accept or reject my decision before 30 January 2024.

Kiran Clair  
**Ombudsman**