

## **The complaint**

Mr M and Mr M complain about the way Royal & Sun Alliance Insurance Limited ["RSA"] has handled a claim they've made on their buildings insurance policy following damage to their driveway caused by faulty drains.

## **What happened**

Mr M has led the complaint with this Service so I'll refer to him mainly throughout. References I make to Mr M's actions include those of Mr M, the other policy holder.

RSA is the underwriter of this policy i.e. it's the insurer. Part of this complaint relates to the actions of its agent for which it has accepted responsibility. Any reference to RSA includes the actions of its agent.

The background to this complaint is well known to the parties so I've provided a summary here.

- Mr M discovered damage to his driveway, thought to be caused by movement, around the summer of 2021. He made a claim for subsidence to RSA and it appointed an agent to investigate and validate the claim. Various site investigations were undertaken including drain surveys and attempts were made to clear silted up pipes with a high-pressure water jet but these were unsuccessful. RSA said the circumstances of the site made investigation difficult and further extensive excavations would be required.
- Mr M complained to RSA in January 2022 about the lack of progress and it issued a final response in March 2022. The issues covered by this final response were raised with this Service too late for us to consider.
- Investigations continued over the following months through the summer of 2022 but were also inconclusive and RSA still didn't provide an answer on the claim. During the investigations, a lamp post near the excavations was removed and, as RSA didn't have anyone available to do it, it asked Mr M to arrange and pay for this himself.
- RSA continued investigations and obtained a witness statement from Mr M in September 2022. Following this Mr M said he'd been chasing RSA's agent for progress but was told the claim was with RSA for review.
- Mr M eventually raised a complaint with this Service in November 2022 about the lack of an outcome on the claim and RSA's delays and poor claim handling. Our Investigator considered the evidence, highlighting she had asked RSA for information about the apparent delays and lack of claim decision but it had failed to provide this.
- In the absence of this information, she upheld the complaint and said RSA should pay Mr M £500 for the impact of the delays and reimburse him with the £120 he's paid for the removal of the lamppost. And she told RSA it needed to provide Mr M with clear next steps on the claim.

- Mr M accepted the findings. RSA responded to say it didn't think it had been given time to review the complaint so our Investigator provided it with copies of all the relevant correspondence to show it had. RSA didn't confirm acceptance of the findings so the case has come to me for an Ombudsman's 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.

- As detailed above, in this decision I've only considered what happened after the March 2022 final response as matters before this were raised too late for us to consider.
- Under the Financial Conduct Authority's Insurance Code of Business (ICOBS) RSA is under an obligation to handle claims promptly and fairly and to provide reasonable guidance and appropriate information on the progress of the claim. I'll be keeping these principles in mind while considering this complaint together with what I consider to be fair and reasonable.

### *Claim delays*

- Having carefully considered the file it's clear various agents and RSA internal departments have been involved in this claim. It seems there's confusion between RSA and its agents about who dealt with the claim and responded to the complaint. This confusion has also extended to the provision of information to this Service. Seemingly, this has contributed to the delays I've detailed below.
- Despite our Investigator asking for it, RSA has provided no clear timeline or explanation about why there were delays following the March 2022 final response.
- From March 2022 through to September 2022 it seems the claim validation process continued with RSA requesting documentation from Mr M and discussions with its agent on aspects of the claim and whether it was going to be declined.
- In September 2022, RSA obtained a witness statement from Mr M. After this, it's not clear from the evidence I've been given to consider, what was happening on the claim. Mr M says he's been chasing RSA for progress and an outcome since December 2022 and he's just been told RSA was reviewing the claim. This seems to be supported by internal correspondence which shows RSA's agents chasing RSA for updates after the claim had been with it for review for an extended period of time.
- For the reasons I've explained, I can't see why the claim has taken as long as it has or why RSA hasn't kept Mr M sufficiently up to date with progress or provided him with an outcome on the claim. It follows, I'm not satisfied RSA has complied with its obligations under ICOBS and I'll be keeping this in mind when considering my award.

### *The lamp post*

- I can see RSA said the lamp post had to be removed due to health and safety concerns but it didn't have any contractors available to undertake the work so Mr M instructed a contractor of his own and paid the invoice. RSA should reimburse Mr M for this cost together with interest, in line with my direction below.

### *The impact of the delays*

- While I'm not considering the entire life of the claim for the reasons I've already detailed above, I do have to keep in mind it was originally made to RSA more than two years ago, in November 2021, and Mr M still doesn't have an answer on whether RSA has agreed to settle it or not. I understand why the continued lack of progress would be a source of considerable frustration for him, particularly given he estimates he has made more than 100 calls to RSA in an attempt to get the claim progressed.
- I've thought about all this very carefully and have decided that RSA should pay Mr M £500 for the impact of its delays and poor claims handling over the time period under review here.

### *Moving forward*

- Understandably, Mr M says he just wants the claim settled and the work done and I understand how any continued delays will add to his distress and inconvenience. I'll remind RSA of its obligations under ICOBS to progress the claim promptly and fairly and to provide Mr M with appropriate information about the progress of the claim, and that would include what the next steps are. I consider this particularly important in light of RSA's failure to do this so far. It's simply not fair to keep Mr M waiting longer than necessary or to fail to keep him informed of progress while the claim is still not settled.

### **My final decision**

My final decision is that I uphold this complaint and direct Royal & Sun Alliance Insurance Limited to:

- Pay Mr M and Mr M £500 for the impact of its delays and poor claim handling.
- Reimburse Mr M and Mr M £120 for the work they had undertaken in removing the lamp post, subject to the provision of supporting evidence showing the paid invoice, if it hasn't done so already. Together with interest at 8% simple per annum\* from the date the invoice was paid to the date of settlement.

Royal & Sun Alliance Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr M and Mr M accept 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.

\*If Royal & Sun Alliance Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M and Mr M how much it's taken off. It should also give Mr M and Mr M a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mr M to accept or reject my decision before 3 January 2024.

Paul Phillips  
**Ombudsman**