

The complaint

Mr and Mrs M complained that their home insurance claim was delayed by Royal & Sun Alliance Insurance Limited ("RSA"), and they felt the delay adversely impacted their ability to find alternative insurance cover at an affordable price.

What happened

Mr and Mrs M made a claim after intruders broke into their home. RSA asked them to provide information in relation to the incident, evidence of the damage caused and quotes to get things repaired. RSA advised Mr and Mrs M that some of the costs would be covered under the policy, and it advised them to carry on with arranging the repairs.

Later, RSA decided to deploy a loss adjuster to further validate and review the claim. Mr and Mrs M felt this should've happened at the start of the claim and felt it unnecessarily delayed the claim. They became distressed as it delayed settlement for the works that Mr and Mrs M had already carried out and paid for. Contractors were chasing Mr and Mrs M for payment, and they feel this has ruined their relationship with one of the service providers. Payment was made around two months after the claim was reported.

Mr and Mrs M said they've spent the winter months living in a property which they felt was insecure as the window hadn't been fixed and they felt it had added to their heating bills. Mr and Mrs M said they were frightened and anxious due to the break in and were concerned about a vulnerable member of the family.

Mr and Mrs M said their claim remains open and they want it settled in full. He said the open status of their claim has limited their ability to get new insurance cover on the market, which they said led to their premiums increasing dramatically. He's had to install extra security measures at a significant cost as a condition of being given cover. He wants this cost reimbursed.

RSA acknowledged there had been "extensive" delays. It said the claim wasn't properly recorded due to system issues and it said its contractor had provided incorrect information. As the service fell below its normal standards, RSA paid £200 compensation for distress and inconvenience.

Our investigator decided not to uphold the complaint. He didn't see evidence the heating bills had increased, and he thought the £200 compensation paid was fair for the circumstances of the complaint. Mr and Mrs M disagreed, so the case has been referred to an ombudsman.

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.

I want to clarify what part of this complaint I can look at. I can only consider points that Mr and Mrs M have made to RSA and it has had chance to provide a response on. Having reviewed their complaint form and RSA's final response, I can't see that Mr and Mrs M have

raised issue with the outcome / settlement of the claim. So, for the avoidance of doubt, I won't look at this aspect. If Mr and Mrs M wish to still raise issue with this, they can still do so with RSA. I will focus on the delay in the claim and the impact Mr and Mrs M has said this has had on the cost of their future premiums.

To consider this, I've looked at the timeline of events. I can see that it took around two months or so from the point the claim was raised to when it was settled for the "agreed costs". Any claim will cause disruption and inconvenience to the insured. Naturally this will be frustrating, but the insurer can't be held to account as it's the incident itself that has caused the problem rather than the insurer.

However, on this occasion RSA has accepted there were avoidable delays – it was slow appointing a loss adjuster which delayed the approval of the ultimate settlement. I think a claim would be expected to last at least a month, so I think the avoidable delay is probably around a month, so, I've considered the impact of this.

Mr and Mrs M were informed quickly that some of their costs were approved, and they should proceed with the work with their own contractors. The issue was the delay in receiving the actual settlement to allow payment of the contractors. The fact RSA approved these costs early gave Mr and Mrs M assurance that the work was covered. I appreciate the delay in settlement would've caused a cashflow issue but given the work could be completed I think this reduced the overall impact on them.

I think the delay in being able to pay the contractors would've been slightly embarrassing, but I think most reasonable trades people would've understood the situation had it been explained to them. So, whilst I can understand some frustration, I don't think it delayed the actual work been done. I can see Mr and Mrs M feel their heating bills have increased. I think this may have been the case, but I can't see the policy does cover this, so the only aspect I could see RSA been accountable for were for the month it delayed any work. However, I think the impact on heating bills was negligible and difficult to quantify, so I'll include any reimbursement of this as part of the overall compensation paid.

Mr and Mrs M said they tried to take out new cover on their home, but due to the open status of their claim they said many insurers wouldn't quote. They said those that did quote significantly increased the premiums. Mr and Mrs M went with an insurer who required extra security measures, so they think RSA should reimburse this cost.

I'm not persuaded that the open status of the claim was the main reason Mr and Mrs M's premiums increased. One insurer said, *"they would not be able to offer a quotation currently due to the recent claim"*. When anybody makes a claim it's usual for premiums to increase, so I think the claim Mr and Mrs M made would've been the main reason for any change in premium. When taking out the new policy Mr and Mrs M would've been clear at that stage the claim had been approved and would be recorded against their record, which is what each insurer would want to know. I don't think Mr and Mrs M have proven sufficiently the delay directly caused the increase in premium. I think it's more likely it was the claim itself.

Likewise, I don't think the delay was the cause to Mr and Mrs M choosing to buy extra security measures. I think it's likely the recent claim made the property a higher risk in the insurer's eyes, and this measure was required to reduce its risk. I don't see why RSA should need to reimburse this money.

Therefore, in summary, I don't uphold this complaint. I don't think the impact of the delays is significant. Therefore, I think the £200 compensation paid for distress and inconvenience is about right for the circumstances presented in this claim, including any heating impact.

My final decision

My final decision is that I don't uphold this complaint. I don't require Royal & Sun Alliance Insurance Limited to do anymore.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 31 October 2023.

Pete Averill
Ombudsman