

The complaint

Mr and Mrs P complain about the way Royal & Sun Alliance Insurance Limited (RSA) has handled a subsidence claim under their buildings insurance policy.

Any reference to RSA includes the actions of its agents.

What happened

The circumstances of this complaint are well known to both parties, so I've summarised what's happened.

Mr and Mrs P have a subsidence related building insurance claim that has been ongoing for some time. They've made a number of complaints, some of which have been determined previously. The scope of this complaint is for the period 22 December 2022 to 17 November 2023 – the latter being the date of RSA's final response.

The parties are well aware of the background, but the main concerns relate to poor communication, delays, incorrect information being provided, the scope of the repair work, the conduct of RSA's agents and RSA's handling of a complaint.

In its final response, RSA accepted its service had fallen short in some areas and paid £450 compensation to recognise this. It explained its contractor had refused to return to Mr and Mrs P's property, and as it couldn't source an alternative contractor, the only remaining option is to arrange a cash settlement for outstanding works to be completed – which it said it's in the process of calculating.

Mr and Mrs P remained unhappy and so, brought a complaint to this Service. An investigator considered it and was satisfied the amount of compensation awarded was fair and reasonable in the circumstances.

Mr and Mrs P disagreed and so, the complaint has been passed 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.

Having done so, I agree with the outcome our Investigator reached – I'll explain why. But before I do, I want to explain that whilst Mr and Mrs P have provided lengthy submissions for consideration – including a detailed response to the Investigator's view – my decision will not mirror this. This isn't intended as a discourtesy but rather reflects the informal nature of this Service.

Communication and delays

RSA has apologised for occasions where its agent failed to respond to Mr and Mrs P's

emails in a timely manner - which resulted in them having to chase for a response. Understandably, this would have been frustrating for Mr and Mrs P – particularly when the issues were time sensitive and impacted the progression of the repairs.

It's also disappointing to see Mr and Mrs P were incorrectly asked to pay another excess when it had already been deducted. Whilst this was quickly rectified – and RSA acknowledged there had been an administrative error in asking for it – this would have caused Mr and Mrs P avoidable distress and was another issue they had to deal with. RSA has said it'll provide feedback to staff on the matter, which is what I'd expect it to do in such circumstances.

Mr and Mrs P have also raised a concern about information included on a mandate and how this, together with comments from RSA suggested they could pay for additional works. This issue wasn't dealt with as part of its final response, but RSA has given consent for this Service to consider this issue as part of this complaint.

RSA has explained the mandate is a standard mandate template which includes reference to additional costs - which the consumer is responsible for paying - as some of its contractors will carry these out. However, this didn't apply to Mr and Mrs P's contractor as they only carried out "like for like" remedial works. RSA has said in hindsight the mandate could have been amended to avoid confusion – and I agree. And it accepts Mr and Mrs P had been incorrectly told its contractor could carry out additional works – which wasn't correct. So, I'm satisfied RSA caused avoidable confusion in respect of this matter.

Mr and Mrs P were also provided incorrect information in respect of installing a skirting board in their conservatory – having been told it would be fitted, and then subsequently informed it wouldn't. It's not in dispute that the original conservatory didn't have skirting – so, I agree RSA aren't required to include this in the scope of works. But I recognise it would have been disappointing for Mr and Mrs P to learn this wasn't going to be included in the works having been told it would be.

And no doubt, these feelings of frustrations about RSA's communication were compounded when it provided unclear information in relation to a complaint Mr and Mrs P had made.

Mr and Mrs P have also said RSA didn't make a VAT payment within the timeframe it had committed to. As Mr and Mrs P had already paid the contractor, the delay in payment caused them to worry about their finances and the potential for bank charges should they not have sufficient cleared funds. I haven't been provided evidence to show the latter materialised, but I appreciate having to carefully manage their finances over this time was an additional strain for them and one that could have been avoided.

Scope of works

RSA has said decorating the conservatory ceiling hasn't been included in the repair works because the original conservatory didn't have a plastered ceiling. Similar to above, RSA, when settling a claim, aren't required to include works which would put the policy holder in a better position before the insured event – also known as "betterment". In the absence of evidence to the contrary, I'm satisfied RSA's decision to omit decorating the ceiling from the scope of works to be reasonable.

With regards to the repainting of doors – RSA has explained that as these weren't damaged as a result of the subsidence, the doors haven't been included in the scope of works. RSA's liability is only in respect of damage caused by an insured event, and as there's not persuasive evidence to show the damage to the doors is a result of the subsidence, it's reasonably omitted this from the scope of works.

Contractors' conduct

Mr and Mrs P complained about the conduct of the contractors attending their house to complete the repair works. They say the contractors wore boots without protection and moved furniture in rooms they weren't working in without agreement. RSA has said it would expect its contractors to have suitable coverings in place and has provided feedback – which is what I would expect it to do.

RSA has said its contractors have refused to return to Mr and Mrs P's property to complete the repair works. I appreciate this is of concern for Mr and Mrs P as they consider the grounds for doing so to be unfounded. The parties have given different accounts of what led to the contractors refusing to attend. Based on the available evidence, I can't say with certainty what did – or didn't – happen. But given Mr and Mrs P were unhappy with the contractors' conduct and felt they needed to complain about it – and the contractors are refusing to reattend - I'm satisfied there's enough to show a breakdown in the relationship. And so, I consider RSA's decision to cash settle the claim - having been unsuccessful in sourcing an alternative contractor – to be reasonable in the circumstances.

Conclusion

Overall, I'm satisfied RSA could have kept Mr and Mrs P better informed by providing clear information, a plan of the works, responding to emails in a timely manner and keeping to deadlines. Had this happened, the resulting delays could have been avoided.

When I consider what's happened, I'm satisfied compensation is warranted in the circumstances but as RSA has paid £450 to recognise the impact of its actions on Mr and Mrs P – and I'm satisfied this amount is in line with awards this Service makes – I won't be asking it to increase this amount.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 11 January 2024.

Nicola Beakhust
Ombudsman