

The complaint

Ms Q is unhappy with Royal and Sun Alliance Insurance Limited's (RSA's) handling of a claim she made in December 2019 for damage caused to her home by a leak from her neighbour's property.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again in full detail here. But to briefly summarise, Ms Q's building is covered by a block buildings insurance policy in the name of the property management company. The policy covers the building and each of the individual properties within it. As a beneficiary, or intended beneficiary, of the policy Ms Q is entitled to claim for damage to her property caused by an insured event.

Ms Q made a claim for water damage to her flat being caused by water escaping from the flat above. RSA has instructed various leak detection companies and loss adjusters to inspect the damage and investigate the cause. But Ms Q is unhappy with the slow progress of the claim. She also disputes the quality of RSA's investigations as the leak has reoccurred several times, so she doesn't feel RSA has done enough to identify the true cause of the leak, despite multiple attempts. Ms Q also complains that communication from RSA and its agents has been poor throughout.

Our investigator didn't think Ms Q's complaint should be upheld. She said RSA had appointed various specialists to assist in identifying the cause of the leak, and that Ms Q's neighbour had been advised what action needed to be taken to stop the leak, before remedial works to Ms Q's property could take place. She said despite the neighbour confirming works had been completed earlier in the claim, the evidence suggests full repairs weren't completed at that time. And that since the neighbour confirmed the same again more recently, RSA hasn't been granted access to his property to confirm the quality of the repairs. So, our investigator didn't agree that RSA was responsible for the issues Ms Q complained about.

Ms Q didn't accept our investigator's findings. So, as no agreement had been reached, the complaint was passed to me to decide.

I was minded to reach broadly the same outcome as our investigator. But unlike our investigator, I thought it would be fair to award Ms Q with some compensation for the impact of some poor communication on RSA's part. So, I issued a provisional decision to give the parties the opportunity to respond, before I reached my final decision. Here's what I said:

"What I've provisionally 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 broadly agree with the outcome reached by our investigator. However, I am intending to award Ms Q some compensation for the impact of RSA's communication during the period of the claim I'm considering. I'll explain why in more detail below.

Ms Q has complained that RSA has failed to properly identify the cause of the leak, on the basis that it has reoccurred on several occasions. However, I've seen copies of the reports completed at various stages, which show that sufficiently detailed investigations were carried out.

These investigations included pressure testing the heating system and flow testing the pipework, neither of which identified any leaks. The initial report explains that damaged tiles, grouting and sealant were allowing water to penetrate and pass down into Ms Q's flat.

While this is a block policy which covers both flats, damage caused by faulty or defective workmanship and/or damage which occurs gradually (such as the failure of grouting or sealant) is excluded. This means RSA was not required to cover the cost of remedying the issues which were identified as causing the leak. So, I don't consider it was unfair or unreasonable for it to provide the neighbour with instructions as to what repairs were required.

Ms Q has suggested that RSA was incorrect in its conclusions because the leak reoccurred after the neighbour carried out the repairs. However, the evidence I've seen suggests that the neighbour merely applied additional sealant around the bath, in the first instance. There's nothing to support that he remedied the damaged tiles or failed grouting. And a subsequent leak detection report from RSA confirmed that these elements, along with sealant around the shower screen, remained outstanding and were the cause of the leak.

Ms Q's neighbour has since confirmed that the full required repairs have been undertaken. However, to the point of its final response letter in November 2022 – which is the point to which I'm able to consider Ms Q's complaint – RSA had not been granted access to the neighbour's flat to verify that the repairs had been completed satisfactorily.

Based on the evidence I've seen, I'm satisfied that RSA has done enough to investigate and identify the cause of damage, and to pass it on to the person responsible for carrying out the repairs. I don't consider it to be unfair or unreasonable that RSA wishes to confirm that the cause of damage has been rectified, before commencing with remedial works to Ms Q's flat.

I've also thought carefully about Ms Q's concerns about the length of time the claim has been ongoing. But based on everything I've seen, I think the main reason the claim took as long as it did, during the period I'm considering, was due to the need for RSA to deal with both Ms Q and the neighbour, and to be granted access to both properties at different times, which was unavoidable given the nature of the claim. There were also issues with contact numbers for Ms Q and the neighbour changing throughout the claim, and occasions where numbers were provided to RSA incorrectly, which added to the delays. So, I don't think it would be reasonable for me to conclude that RSA has been solely responsible for causing any unreasonable delays.

It follows that while I sympathise with the situation Ms Q has found herself in, I think RSA has acted reasonably in the way it investigated and progressed the claim during the period I'm considering as part of this complaint (up to November 2022).

That said, Ms Q has also complained about poor communication from RSA and its agents during the claim. She has provided various emails from different points throughout the claim which seem to support that she was having to chase for updates or contact on numerous occasions. There were also occasions where RSA and its agents continued to use Ms Q's old phone number for contact, despite having been provided with the correct number.

So, while I don't think RSA is responsible for how long things took overall, I do think it could have done a better job of managing Ms Q's expectations and of communicating with her throughout the claim journey.

Ms Q has explained that she found the whole process very stressful and frustrating. Most of this will be as a result of the claim, and the time taken, which I don't think RSA is responsible for. But I think RSA's poor communication added to an already difficult situation and so increased the impact this had on Ms Q. So, in order to fairly put things right for the distress and inconvenience RSA has specifically caused, I think it should pay Ms Q £100.

I'm aware that Ms Q has suffered further instances of water ingress since November 2022 and has remained in contact with RSA about these. But I'm unable to consider anything that's happened since November 2022 as part of this complaint. So, if Ms Q remains unhappy with how RSA has dealt with things since November 2022, she'll need to raise those concerns as a new complaint – and with RSA in the first instance.”

I asked both sides to send me any further evidence or arguments they wanted me to consider before I reached my final decision.

RSA responded to confirm it accepted my provisional conclusions and had nothing further to add.

Ms Q also responded, but she didn't add any additional evidence or arguments for me to consider.

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, in the absence of any new evidence or arguments to consider, I've reached the same outcome set out in my provisional decision – and for the same reasons.

My final decision

For the reasons I've explained above, I uphold Ms Q's complaint in part.

Royal and Sun Alliance Insurance Limited must pay Ms Q £100 for the distress and inconvenience its poor communication caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Q to accept or reject my decision before 2 January 2024.

Adam Golding
Ombudsman