

The complaint

Mr and Mrs T have complained about the service they received from Royal & Sun Alliance Insurance Limited (RSA) in connection with their home insurance policy.

What happened

Mr and Mrs T have had a home insurance policy with RSA for many years. The policy has been renewed annually since at least 2010. They made a claim to RSA after various items were stolen from their home during a burglary at the end of May 2023. The items included a musical instrument worth £2,000.

The single item limits for high-risk items and personal belongings in their policy has varied over the years. Mr and Mrs T thought the high-risk single item limit was £2,049 from the 2022 renewal which applied at the time of the claim. RSA said the single item limit for high-risk items in that policy year should have been £1,500.

RSA added a retrospective endorsement to the policy stating that the single article limit was £1,500. There were various discussions about the limit and endorsements. Mr and Mrs T say that between May and September 2023 RSA sent them 8 policy schedules.

There was also some confusion about whether some musical instruments had specifically been listed on the personal belongings section of the policy. RSA said that Mrs T had removed the instruments from the policy in 2010. Mr and Mrs T didn't think that was correct.

RSA said it wanted to instruct a loss adjuster as the total amount claimed was over £5,000. Mr and Mrs T didn't think this was necessary as the total claim was only just over that amount.

After Mr and Mrs T complained, RSA wrote to them on 1 September 2023 confirming that in the policy year starting 1 November 2022 the single item limit for high-risk items was £2,469 and for personal belongings it was £1,660. It offered them compensation of £150 for its poor service. It also said it classed musical instruments as general contents rather than high risk items.

Our Investigator thought RSA should honour the single item policy limit of £2,469 for high-risk items and £1,660 for personal belongings for the policy year 2022 to 2023. She thought RSA's offer of compensation was fair. She said it was up to RSA whether or not it wanted to use a loss adjuster to validate the claim.

As Mr and Mrs T didn't agree, the matter has been referred to me.

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.

Firstly, I would like to express my sympathy for Mr and Mrs T who have suffered a distressing burglary at their home and are experiencing some serious health issues.

Although a large number of issues have been raised in Mr and Mrs T's complaint, I'm going to take a holistic approach and so this decision only addresses those issues I consider to be materially relevant to the complaint. This isn't meant to be a discourtesy to either party but simply reflects the informal nature of our service.

I am only looking at the matters covered by RSA's final response letter dated 1 September 2023. Mr and Mrs T have told us it came to light in March 2024 that RSA's loss adjuster has incorrect information regarding the policy limits. As our Investigator has explained, I can't look at this as part of this decision as it wasn't part of their original complaint.

For the policy year starting 1 November 2022 Mr and Mrs T's general contents were covered against theft and other risks for up to £60,000. RSA has since clarified that the single item limit for high-risk items was £2,469 and for personal belongings it was £1,660. I think this is correct and hope that showing a copy of this decision to RSA's loss adjuster will clarify any confusion around the various limits in force at the time of the claim. I appreciate that the contents policy limits have fluctuated over earlier years but in my view the key thing is to establish what the limits are for the purposes of the outstanding claim.

The definition of high risk item in the policy doesn't mention musical instruments. So I think RSA has treated Mr and Mrs T fairly in treating them as general contents for the purpose of a claim arising from theft from the home.

There has been much discussion about incorrect information in RSA's notes about which instruments Mr and Mrs T owned and whether they should have been noted on the policy in the personal belongings section. I can understand why this was irritating for Mr and Mrs T. I'm not going to discuss how this mistake arose as the call recording from 2010 isn't available and in any event it doesn't have any bearing on the claim as the theft of the musical instrument is being considered under the contents section of the policy. I can see that the premium reduced on the 2010 renewal when the instruments weren't specified on the policy. So I can't see that any mistake on the part of RSA has caused Mr and Mrs T to pay a higher premium than they otherwise would have done. It's up to RSA how much it charges Mr and Mrs T by way of an additional premium for specifying musical items on the policy going forward.

It's also up to RSA whether they choose to use a loss adjuster or not even if the total value of the claim is only just over the amount specified in its internal policy guidelines. I can't say it's treated Mr and Mrs T unfairly in insisting on this.

I can't see that the mistakes and confusion have caused Mr and Mrs T a financial loss. But clearly they have caused Mr and Mrs T avoidable trouble and upset. Overall, I'm satisfied that RSA's apology and compensation offer was a fair and reasonable reflection of the impact its poor service had on Mr and Mrs T. In the circumstances I don't think there are grounds for me to require RSA to do any more.

My final decision

Royal & Sun Alliance Insurance Limited has already sent Mr and Mrs T compensation of £150 for its poor service. I think that was fair and reasonable in the circumstances. My decision is that Royal & Sun Alliance Insurance Limited doesn't need to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs T to accept or reject my decision before 17 April 2024.

Elizabeth Grant
Ombudsman