

## **The complaint**

Miss F and Mr M complain Royal & Sun Alliance Insurance Limited handled their home insurance claim poorly.

Miss F and Mr M have been represented for the claim and complaint. For simplicity I've referred to the representative's actions as being those of Miss F and Mr M. The same applies to the actions of RSA's agents.

## **What happened**

In December 2020 Miss F and Mr M claimed against their RSA home insurance policy. Their home had been damaged by river flood water. RSA arranged for the property to be dried. It paid Miss F and Mr M a cash settlement so they could arrange for their own contractors to do reinstatement works.

Miss F and Mr M now feel RSA failed to adequately strip out and dry their home. So they say reinstatement works were done in vain. They say the property needs to be stripped out, dried and reinstated again. They want RSA to cover these costs. In addition they complain RSA's cash settlement was too low. RSA doesn't accept it failed to dry the property. Nor does it agree the settlement is too low.

In December 2022 our investigator recommended RSA arrange for an independent assessment of the adequacy of the drying – and that it follow that report's recommendations. RSA didn't agree to the investigator's findings, so the complaint was passed to me to decide.

In June 2023 I issued a provisional decision. As its reasoning forms part of this final decision I've copied it in below. In it I explained why I didn't intend to require RSA to pay anything extra or do anything differently for Miss F and Mr M. I also invited them and RSA to provide anything further they would like me to consider before issuing this final decision. RSA didn't provide anything. Miss F and Mr M sent in a detailed response.

### ***What I've provisionally decided and why***

*Miss F and Mr M have made several complaints to RSA. As this is an informal service I'm not going to respond here to every complaint point they have raised. Instead I've focused on what I consider to be the key issues. But I would like to reassure both that I have considered everything provided.*

*Key to Miss F and Mr M's complaint is their concern their home wasn't adequately dried by RSA. They have provided various technical reports they feel support their position. The findings of those reports, and RSA's, are well known by those involved. So I'm not going to set them out here.*

*Miss F and Mr M want RSA to cover the costs of the current reinstatement work to be stripped out, the property dried and then reinstated. For me to fairly require RSA to do that I'd need to see persuasive evidence that it most likely failed to dry the property adequately first time around – and that there's some resulting detriment to*

*Miss F and Mr M. Our investigator was persuaded, by various reports, that the floor wasn't fully dried. But I don't think there's enough to show that.*

*RSA's provided a drying certificate from its contractor. It says the correct approach was taken during the drying process. Miss F and Mr M question this and the certificates validity.*

*I've considered the various reports produced after its issue. There are a few test results that support Miss F and Mr M's position – showing the possibility of excess moisture in a location or two. RSA dispute the validity of these results. It's provided its own test results showing acceptable moisture levels.*

*Ultimately, I'm more persuaded by RSA's testing and its responses to Miss F and Mrs M's reports. Ultimately there's just not enough to persuade me the property wasn't dried properly – and that it would be reasonable to require RSA to cover the significant costs involved. For the same reasons I'm not persuaded it would be reasonable to require it cover the cost of an independent assessment – and any reinstatement costs that may result from damage necessary for such an inspection.*

*If Miss F and Mr M wish to arrange and cover the costs of their own inspection and testing, I'd expect RSA to consider any resulting report.*

*In addition to the drying issue, Miss F and Mr M feel the cash settlement paid by RSA was inadequate. RSA denies this – saying instead Miss F and Mr M failed to manage reinstatement work and costs effectively.*

*I've considered everything Miss F and Mr M have provided on this issue – including their own costed schedule of works and spreadsheets of their incurred costs. I've also seen RSA's costed schedule for works for the settlement. The two schedules do come in at very different individual items and total costs.*

*But I haven't been able to compare these costs to those incurred by Miss F and Mr M. Unfortunately they have recorded costs incurred mainly by payments to different trades – rather than by individual work item.*

*Overall, based on what I've seen so far, I can't fairly say RSA's settlement was inadequate. So I don't intend to require RSA to pay any extra. I will consider anything further Miss F and Mr M provide in response to this provisional decision. RSA's offered to meet with Miss F and Mr M (and their representative) to discuss what has been spent and what remains outstanding. I think this is a fair proposal.*

*Finally Miss F and Mr M have asked that we instruct RSA to remove its current loss adjuster from the claim. I don't intend to do that. I can't see the firm or individual loss adjuster has acted in such a way that would make unreasonable for it or him to continue with the claim.*

## **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.

Miss F and Mr M provided a lengthy response to my provisional decision. It provides a detailed summary of events, concerns and their arguments. Much of this had been provided, and considered, already. The response also refers to various reports I had considered before issuing my provisional decision.

As this is an informal service, I'm not going to respond here to every point Miss F and Mr M made. Instead I've focused on what I consider to be the key issues. But I would like to reassure them that I've considered everything provided.

My provisional decision explained I wasn't persuaded RSA most likely failed to dry the property adequately first time around – and that there's some resulting detriment to Miss F and Mr M. Their response referred to reports already considered. It also made some new points.

However, none of this has changed my position. I accept its possible RSA's agents didn't follow industry best practice or standards at all points. However, the key consideration is whether the property was adequately dried before reinstatement. There just isn't enough technical evidence to persuade me it wasn't – or that excess moisture is an ongoing issue.

I'm still more persuaded by RSA's testing and its responses to Miss F and Mr M's reports. So I still don't think it would be reasonable to require RSA to cover the significant costs involved in repeating some of the work already undertaken.

For the same reasons I'm not persuaded it would be reasonable to require RSA cover the cost of an independent assessment – and any reinstatement costs that may result from damage necessary for such an inspection.

In my provisional decision I said I hadn't been persuaded RSA's cash settlement was inadequate. Miss F and Mr M responded with a few different points. These included the failure to properly dry the property causing secondary damage and additional costs. I've already said I'm not persuaded of that.

Miss F and Mr M also focused on the role of RSA's loss adjuster in the calculation of the settlement. Essentially, they feel as they are complaining about its actions, reliance on its input or opinion creates a 'conflict of interest'. They feel the loss adjuster has been 'discredited' – and so an independent surveyor should be drafted in for an opinion.

I explained in my provisional decision that I wasn't persuaded the loss adjuster should be removed from the claim. I'm of the same opinion now. I accept Miss F and Mr M have a difficult relationship with it. But I don't agree that a complaint about its actions means its opinions or data should be disregarded – or that RSA can't reasonably rely on it. Neither do I agree, having considered Miss F and Mr M's response, that its performance on the claim means its opinions or assessments are invalid.

Miss F and Mr M complain there hasn't been an independent assessment of the damage RSA agreed to cover. But I've made an independent assessment of the cash settlement proposed by RSA for the buildings side of the claim. When doing so I've considered everything it and Miss F and Mr M provided – including Miss F and Mr M's concerns about how the claim was handled by RSA's agents, their own expenditure records and costed schedule of works from both parties.

What I've seen hasn't been enough to persuade me RSA's settlement is unfair or unreasonable. Neither do I feel it would be reasonable to require the appointment of an independent surveyor or other third-party. But if Miss F and Mr M wish to appoint one I'd expect RSA to fairly consider any resulting report or recommendations.

Miss F and Mr M have said the settlement for their contents claim hasn't been agreed. As far as I've seen that aspect of their claim hasn't been the subject of a complaint, that RSA has

had an opportunity to respond to. So I haven't considered it here. Should Miss F and Mr M have co concerns about this they should raise it with RSA in the first instance.

### **My final decision**

For the reasons given above, I don't require Royal & Sun Alliance Insurance Limited to pay anything extra or to do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F and Mr M to accept or reject my decision before 15 August 2023.

Daniel Martin  
**Ombudsman**