

The complaint

Mrs W and Mr W complain about Royal & Sun Alliance Insurance Limited's ("RSA") decision to carry out a repair in order to settle their claim under their home insurance policy.

Mr W has acted as the main representative during the claim and complaint process. So, for ease of reference, I will refer to any actions taken, or comments made, by either Mrs W or Mr W as "Mr W" throughout the decision.

What happened

Mr W says a car crashed through his boundary wall, travelled through his garden and collided with his sitting room wall. Mr W reported this to RSA who appointed a contractor to carry out the repairs. The internal repairs were completed but Mr W complained after RSA informed him of their decision to only repair the damaged section of the boundary wall rather than carrying out a complete rebuild.

RSA responded and explained they informed Mr W they would repair the damaged section of the boundary wall, but Mr W wanted them to demolish the wall and rebuild the whole section of that wall as new. RSA referred to the policy terms and conditions which said, when a repair isn't possible, they would look to replace, but in this case the contractor had confirmed the damaged section can be repaired.

Our investigator looked into things for Mr W. She thought RSA hadn't acted unfairly in their claim decision. Mr W disagreed so the matter has come to me for a 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've decided not to uphold the complaint. I understand Mr W will be disappointed by this but I'll explain why I have made this decision.

I'll start by saying, I'm sorry to hear about the impact the incident had on Mrs W and Mr W. My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute. The key dispute here, and which has been addressed in RSA's complaint response, relates to RSA's decision to settle Mr W's claim for the damage to his boundary wall by repairing only the damaged section and not to rebuild the whole wall. So, I've looked to see whether RSA's decision is fair and reasonable.

My starting point is Mr W's home insurance policy booklet. This sets out the terms and conditions and, under a section headed 'How we settle claims for buildings' it says, "*We will pay for the reasonable cost of work carried out in repairing or replacing the damaged parts of your buildings and agreed fees and related costs.*" So, under the policy, RSA are entitled to decide whether to carry out a repair or rebuild of the wall. They've chosen to carry out a

repair of only the damaged section of the wall, so I've looked to see whether their decision to settle the claim by repair is fair and reasonable.

When dealing with claims involving property damage, insurers often appoint experts to provide a report on the reinstatement work required – and that's what RSA did. I think it's a fair thing to do and it's reasonable for an insurer to take into account the experts' findings when deciding on how to settle the claim. In this case, I can see RSA appointed a loss adjuster and they've carried out a site inspection and prepared a report. The report shows the loss adjuster carried out a detailed inspection of the boundary wall, took a number of photos and determined that repairs could be carried out to the section of the boundary wall which was damaged. Given that the loss adjuster's decision here was based on what they saw and assessed during the site inspection, I can't say RSA have acted unfairly in relying on the loss adjuster's professional opinion here. And by offering a repair, which the loss adjuster confirms is possible, they've acted in line with the policy terms and conditions.

The information provided by RSA shows Mr W was concerned about the bricks not matching in the event that he agrees to the boundary wall being repaired. The claim notes show RSA considered this and decided only the damaged section would be repaired using closest bricks, but they wouldn't demolish and rebuild the undamaged section. I do acknowledge why Mr W was concerned about this, but the policy terms and conditions do allow RSA to carry out a repair. I accept the policy terms and conditions also cover a rebuild of the wall, but it's not unreasonable for an insurer to proceed with a repair if that's suitable and appropriate in the circumstances.

I think it's also important to add the policy terms and conditions also say RSA won't pay for, *"Replacing or changing undamaged parts of your buildings which...have a common design or use, when the damage is restricted to a specific part or clearly defined area."* So, I can't say RSA have acted unfairly here, or against the policy terms and conditions, in deciding to offer to settle this part of the claim by carrying out a repair of the damaged section of the boundary wall.

I understand Mr W is concerned about the stability of the undamaged section of the boundary wall. Mr W says the boundary wall affected by the incident is approximately 37 feet in length and 17 feet of this was completely demolished. He says, given the force of the impact and the total area of the wall damaged by the incident, he's concerned it may have disrupted the section of the wall that remains standing and the foundations.

Mr W says the remaining section of the wall is leaning towards his house. He also says, if only a repair is carried out, he will be left not knowing whether that section of the wall will be structurally sound or not. Mr W also says he received a quote from his own builder to replace the entire wall and they informed him this was based on the understanding that the existing foundations hadn't been damaged. And if during rebuilding it became evident that the foundations had been damaged, then the cost would be higher.

As RSA have offered to settle the claim by repairing the damaged part of the boundary wall, our service would expect them to indemnify Mr W by carrying out an effective and lasting repair. This means, to be effective, the repair must put right the damage and, to be lasting, it must do so for an appropriate amount of time.

So, by repairing the damaged section of the boundary wall only - and given that I've seen no evidence the remaining section of the wall has been damaged - I'm persuaded RSA would have carried out an effective repair as it will put right the damage. In relation to the repairs being lasting, I haven't seen any evidence which persuades me any repair to the damaged section of the wall won't last for an appropriate amount of time.

I have taken into account Mr W's concerns, but I haven't seen any persuasive evidence the structure and integrity of the remaining section of the wall has been compromised. I do acknowledge Mr W's point that the stability of the undamaged section of the wall might well become evident once any repair work is started. But, based on the information I've seen at this point, I don't believe it's fair in the circumstances for me to direct RSA to rebuild the entire wall where there's no compelling evidence that brings into question its stability.

Given the dispute about the offer to repair, I can see RSA offered a cash settlement. I can see Mr W also raises concerns about the cash settlement being offered but I can't see this has been raised as a complaint. Mr W will need to raise this with RSA first before our service is able to consider this.

I wish to reassure Mr W I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 10 April 2024.

Paviter Dhaddy
Ombudsman