

The complaint

Miss B and Mr D complain that Royal & Sun Alliance Limited trading as More Than provided them with poor service following their claim for an escape of water and haven't adequately compensated them for the distress and inconvenience caused.

What happened

Miss B and Mr D held a buildings and contents insurance policy with RSA.

In August 2022, they had a leak in their en-suite, which caused damage to the kitchen ceiling, cupboards and laminate floor.

A plumber was able to repair the leak that day and RSA instructed contractors to undertake the drying and repair works.

Drying was completed by 13 October and the repair works were authorised, but there were then delays which meant that work didn't start until January.

Miss B and Mr D were in alternative accommodation during the works, but when they returned to the property, they found that the work wasn't completed, there were issues with the quality of the work, cleaning hadn't been completed, and there was damage to their property.

Miss B and Mr D complained to RSA. They apologised, offered a cash settlement of £4000 to complete rectification works, and £500 for the distress and inconvenience caused. Miss B and Mr D weren't happy with this and brought their complaint to us.

One of our investigators looked into their complaint and he thought that RSA's offer for the rectification works was fair, but that the offer for distress and inconvenience was too low and recommended increasing it to £750. RSA agreed with this, but Miss B and Mr D still felt this was too low, and so the case came to me to review.

I issued a provisional decision on the complaint. My provisional findings were as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have to decide whether RSA have acted fairly and reasonably, and properly applied the terms of the policy.

Having considered all the evidence, I'm upholding this complaint, but with a different outcome to the investigator and I will explain why.

The offer for the rectification work

RSA's contractors didn't complete all the work that was required to restore the kitchen to pre loss condition, and the work that was completed was sub-standard, as a result of poor workmanship, the extent of which is detailed below.

As a result, rather than completing the outstanding work, RSA offered Miss B and Mr D a cash settlement of £4000 to complete the rectification work, which was based on what it would cost them to engage their contractors to complete the work. They have advised that the terms and conditions of the policy won't allow them to go beyond the limit of their liability when offering a cash settlement.

The policy booklet says:

"Where we can offer repair or replacement through a preferred supplier but we agree to pay our customer a cash settlement, then payment will normally not exceed the amount we would have paid our preferred supplier."

However, I don't think in this situation it's fair to limit the cost of the rectification work to what RSA would have paid their own contractor.

Miss B and Mr D were happy to have RSA's contractors, and in fact they went ahead with RSA's contractors after they were initially offered a cash settlement in November. Miss B was pregnant and wanted this to be sorted as quickly as possible, and before the arrival of her baby at the end of January, so using RSA's suppliers seemed to be the best option.

However, despite the contractors having two weeks to complete the works in January, Miss B and Mr D came back to a kitchen that was far from finished. I think it's fair to say that at that point the relationship had broken down, and Miss B and Mr D's trust in RSA's contractors to finish the job was broken, and there was no real alternative but for them to arrange their own.

Whilst I appreciate that RSA would have paid less for the rectification works, Miss B and Mr D didn't choose from the outset not to use RSA's contractors and are only in the position of having to use their own contractors as a result of RSA's failings. And so I don't think it is fair in this situation to limit the liability to RSA's preferred supplier rates.

Miss B and Mr D have provided a quote that was for the rectification work of £6250. Unfortunately, having only received £4000 they have confirmed that they have been unable to complete all the work, and so I am intending to direct RSA to pay the remaining £2250 that is required to finish the work to pre loss condition in line with the quote they originally received.

Service issues

RSA have accepted that the service they have provided has been poor. So I've looked to see whether the offer made fairly reflects this in the light of everything that has happened.

There is always some level of unavoidable inconvenience arising from the incident itself when a house insurance claim is made, but the actions of the insurer and their contractors shouldn't add to this, so I've looked at what additional distress and inconvenience was caused by their actions.

Initial drying out and some of the strip out work was completed by 13 October and the repair works were authorised. The kitchen units were removed to storage for assessment as there was nowhere to store them on site at the house after removal.

Miss B and Mr D were then chasing RSA throughout October and November for progress, and first raised a complaint in November.

The loss assessor's report was prepared on 22 November and on 28 November Miss B and Mr D were offered a cash settlement of £14121.37. However, they said that they had gone too far along now and so would continue with RSA's contractors.

Eventually a start date of 4 January confirmed. Alternative accommodation was offered from 3 – 14 January when work due to be completed, and this was later agreed from 2 – 21 January. However, arrangements weren't communicated to Miss B and Mr D and there was confusion about the dates the property was booked for and this caused additional stress.

The work was completed and Miss B and Mr D moved back to the house on 21 January. They found that the work wasn't completed and there were significant issues with it, including several cabinets and work surfaces not being fitted properly, missing units, end panels and plinths, a missing extractor, poorly fitted flooring, plumbing issues, electrical issues, damage to a window and a door and damage, dirt and dust on carpets, woodwork and other items due to lack of protective coverings being used.

Miss B and Mr D raised these issues with RSA, and in the following weeks there is further chasing by Miss B and Mr D trying to get this resolved. Miss B obtained a quote for completion of the works, which was £6250 and submitted this to RSA, who initially offered and paid £3750 to get the remaining works completed, later increasing this to £4000. They said they were unable to exceed the limit of their liability.

RSA additionally paid for replacement of the broken window, and £100 for the cleaning.

I can see that there was also an issue around the payment for the additional electricity from the drying equipment, with it being incorrectly calculated, and poor communication. This was only correctly paid after Miss B challenged it.

Given the above, it's fair to say that the claim handling was poor. I've also taken into account that Miss B was pregnant at the time with her baby due at the beginning of February. She made it clear to RSA throughout this claim that in view of that, she would like the work would need to be completed by then and had it not been for the contractor's failings, it would have been.

I don't think the length of time that the claim took was unreasonable, but I do think that the communication about timescales could have been better. The anxiety caused to Miss B throughout was as a result of the errors and poor communication, and the impact of returning to her home in January in the expectation that everything would be returned to pre loss condition, only to find that it was not.

However, I am also mindful that Miss B and Mr D did have a functioning kitchen throughout, and so I am satisfied that the £750 that RSA have already agreed on the recommendation of our investigator is fair and reasonable.

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.

Both Miss B and Mr D and RSA have responded. They have all accepted my provisional decision and so I'm making my final decision in line with my provisional findings.

Putting things right

In order to put things right, RSA should:

- Increase the settlement for the rectification work to £6250
- Pay a total of £750 for distress and inconvenience, deducting any sums already paid.

My final decision

My final decision is I am upholding Miss B and Mr D's complaint against Royal & Sun Alliance Limited trading as More Than and directing them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B and Mr D to accept or reject my decision before 30 April 2024.

Joanne Ward
Ombudsman