Financial Ombudsman Service

The complaint

Mrs and Mr H are unhappy that Royal & Sun Alliance Ltd (RSA) offered a settlement for part of their claim, but then withdrew the offer and declined the full claim.

Mrs and Mr H jointly held building and contents insurance underwritten by RSA. For ease of reading, and because she brought the complaint, I'll refer to Mrs H throughout my decision.

What happened

The background to this complaint is well-known to both parties. So I've set out a summary of what I think are the key events.

Mrs H said her timber porch came down during adverse weather and, as it fell, it damaged the door. She claimed under her policy for both the porch and door, and RSA asked her to get repair quotes and a cause of damage report.

Mrs H sent quotes for the door, but it took a little longer to get quotes for the porch. RSA chased up progress with Mrs H, after which she provided the information RSA asked for in respect of the porch.

On receipt of the quotes, RSA offered a settlement of around £2,500 for the porch repairs. Mrs H contacted RSA to ask about the door because it wasn't included in the settlement. RSA completed a further assessment of both parts of the claim. Having done so, RSA contacted Mrs H to say it was declining the whole claim. It agreed there'd been heavy rainfall leading up to the damage, but it relied on the wear and tear exclusion because its surveyor's and Mrs H's cause of damage report said the timber porch was rotten. So RSA didn't think the damage was caused by a storm.

Unhappy with its decision, Mrs H complained to RSA. She said it had not acted with integrity when it withdrew the settlement offer and failed to explain why. And, because RSA hadn't asked her for more evidence before assessing and declining her claim, she thought its decision was based on its costs to repair rather than the merits of her claim. Mrs H said RSA hadn't treated her fairly.

RSA responded to say it upheld her complaint about its mistake in offering a settlement and then withdrawing it. In recognition of that, RSA offered £100 compensation. However, RSA said it had correctly declined her claim under the exclusion for wear and tear and it wouldn't be changing its decision.

Mrs H remained unhappy, so she brought her complaint to us.

One of our investigators looked into Mrs H's complaint, but he didn't think it was one we should uphold. He said the evidence supported RSA's position that the porch fell down because of wear and tear rather than storm damage. And because the door was damaged by the porch, it followed that the cause was also wear and tear. Our investigator noted that the policy excluded cover for wear and tear, so he thought RSA had declined the claim fairly.

Our investigator agreed with Mrs H that RSA had made a mistake by offering to settle her claim before properly assessing it in full. And he acknowledged the inconvenience that would've caused. However, as the mistake hadn't caused Mrs H any financial detriment, he thought RSA's compensation offer was fair and reasonable in the circumstances. Our investigator didn't think RSA needed to do any more.

Mrs H didn't agree, and she repeated some of her original comments. She also provided evidence of other cases decided by our service which she felt contradicted the outcome of her complaint. In summary, Mrs H said her complaint was not about whether there'd been a storm, rather it was about the way RSA handled her claim. She said if RSA had told her from the start that the damage wasn't storm related, and that there was no cover for wear and tear, she wouldn't have needed to complain. To put matters right, Mrs H wanted RSA to pay the settlement it offered for her porch; accept her claim for the door damage, and pay a further £150 compensation for the distress and inconvenience she experienced.

I issued a provisional decision in June 2024 explaining that I was intending to not uphold Mrs H's complaint. Here's what I said:

provisional findings

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably. So, my role here is to decide, based on the evidence, whether it was reasonable for RSA to turn down Mrs H's claim for the reasons it gave, and whether it treated her fairly in the circumstances.

I'm not required to comment on every piece of evidence. Instead, I'll comment on the key issues of dispute and the evidence I've relied upon to reach my decision.

RSA offered a settlement for the porch damage, which it then withdrew. The policy sets out the detail of the contract between Mrs H and RSA. So, to decide whether RSA reasonably withdrew the settlement offer, I'd first need to see whether the policy provided cover.

Cause of damage - porch

RSA declined the claim relying on the policy wording which states that wear and tear, and rot, are excluded from cover. Mrs H doesn't think it was fair because it had originally accepted her claim as storm damage based on the recent heavy rainfall.

The evidence shows:

- *RSA's record of Mrs H's call to report her claim says, "…[Mrs H] thinks that excessive rain has rotted the wood away. also [sic] seems to think that it could have been gradual wear and tear. [Mrs H] only noticed that the wood hadn't been kept in good shape [when] it collapsed and she saw that it was in really bad condition".*
- *The photos Mrs H provided show rot and wear in the timber posts that had supported the porch.*
- *The quote Mrs H provided, dated 29 September, states, "replace fallen porch, caused by rotted timbers and strong winds from the storm."*

I think it's reasonable to expect a porch to withstand heavy rainfall - a well-built home should withstand all but the most severe weather conditions. So, based on the evidence I've summarised, I think RSA fairly concluded that the porch came down mainly because it was damaged by wear and tear, and rot, rather than because of a storm. As the policy excludes cover for wear and tear, and rot, I'm satisfied RSA declined the claim in line with the terms

and conditions.

Settlement offer

As I've provisionally decided that RSA declined Mrs H's claim for the porch damage in line with the policy, I don't think it should've made a settlement offer. I think its offer was made in error and I don't think this is disputed. So I've thought carefully about how RSA should put matters right.

I can't reasonably expect RSA to pay the claim just because it made a mistake. Mistakes happen. But there's no evidence that Mrs H incurred any financial costs from the date RSA offered a settlement to six days later when it withdrew the offer and declined the claim.

Although Mrs H said RSA didn't explain why it withdrew its settlement offer, I can't agree. Its response to Mrs H confirms that the whole claim was declined under the wear and tear exclusion, so it follows that's the reason it withdrew the offer.

RSA offered Mrs H £100 compensation for its mistake. Given the limited time Mrs H understood she'd receive a settlement, and the fact that she didn't incur any costs during that time as a direct result of RSA's mistake, I think its offer is fair. I see no reason to ask RSA to pay the claim or to increase its compensation offer in respect of this part of the complaint.

Claim

RSA declined the entire claim, but Mrs H didn't think RSA had treated her fairly. That's because it didn't have any additional evidence from its initial acceptance, and she thought its decision was based on cost rather than the merits of her claim.

While RSA didn't have anything additional, it did have evidence relating to both parts of the claim. Mrs H provided the information about her door first, and there was a slight delay before she provided the porch information. It's clear from RSA's file notes that, to begin with, it overlooked the evidence in respect of the door. So I can't say that RSA necessarily needed any more evidence to assess Mrs H's claim. And, as I've already said, the policy doesn't provide cover for wear and tear, so the evidence doesn't support her complaint that RSA assessed her claim based on anything other than its merits.

Therefore, I don't find that RSA treated Mrs H unfairly when it assessed her claim based on the evidence it already had.

That leads me to the final part of the complaint I'll address, which is whether RSA declined Mrs H's claim for the damage to her door in line with the policy, and fairly in the circumstances. As with the porch damage, to decide this I've looked at the cover available under the policy.

Cause of damage – door

I don't think there's any dispute that the door was damaged by the porch as it fell down. RSA hasn't offered any evidence to suggest otherwise and Mrs H's cause of damage report, dated 11 August, states:

> *Description: Following our visit to your home and to inspect the door; it is our opinion that the door has become damaged by the roof collapsing into the door.*

RSA declined the claim relying on the wear and tear exclusion. But, in the circumstances, I

don't think it was reasonable to do so. That's because the evidence doesn't support its view that the door itself was damaged by wear and tear. The evidence tells me the damage was due to the sudden collapse of the porch.

I asked RSA whether it considered this part of Mrs H's claim under the accidental damage section of her policy. The policy defines accidental damage as:

> *damage that is unexpected and unintended caused by something sudden and which is not deliberate.*

I think it's fair to say the door damage was likely accidental in nature in line with this definition.

However, although Mrs H had extended accidental damage cover running alongside her buildings insurance, it was not underwritten by RSA. And her buildings policy underwritten by RSA didn't provide accidental damage cover. Therefore, I think it was reasonable that RSA didn't consider Mrs H's claim under the accidental damage section of the policy booklet.

Should Mrs H wish to make an accidental damage claim for her door, she'd need to raise a claim under her extended accidental damage policy with the relevant insurer.

Additional comments

Mrs H provided details of other, decided complaints which she thought mirrored her own, yet the outcomes were different to hers. While there may be similarities to some published complaints, the circumstances will always be different, however slight. That said, I looked at the complaints Mrs H referenced, but it's clear to me that the circumstances are different.

We must consider each complaint on its own merits, and that's what I've done with Mrs H's complaint. Although I think the reason RSA gave for declining the door claim wasn't in line with the policy, there was no cover available to her for accidental damage. And the mistake RSA made in offering a settlement didn't cause Mrs H any financial detriment. So, currently, I see no reason to ask RSA to do any more than it already has.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Neither Mrs H nor RSA made any further comment.

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.

In the absence of any further comment or submissions from either Mrs H or RSA, I looked again at the evidence. Having done so, I'm satisfied that my earlier findings are fair and reasonable in the circumstances.

In summary, RSA made a mistake by offering a settlement for the porch claim, which it then went on to decline. There was no evidence that Mrs H suffered any financial detriment because of its mistake, and RSA paid reasonable compensation in acknowledgement of the disappointment it caused.

While I disagreed with RSA's reason for declining the additional claim for damage to Mrs H's door, I'm satisfied that cover wasn't available to her anyway. That's because the policy underwritten by RSA didn't include accidental damage. Although Mrs H had additional cover for accidental damage, and she may wish to make a claim under that policy, it was underwritten by another insurer. Therefore, RSA has no liability for the accidental damage claim.

My final decision

For the reasons I've explained above, and in my provisional decision, my final decision is that I don't uphold Mrs and Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 2 August 2024.

Debra Vaughan
Ombudsman