

The complaint

Mr and Mrs D complain about how Royal & Sun Alliance Insurance Limited (“RSA”) dealt with a claim they made on their home insurance policy.

RSA are the underwriters of this policy, i.e. the insurer. Part of this complaint concerns the actions of the agent. Since RSA accept it is accountable for the actions of the agent, in my decision, any reference to RSA includes the agent.

What happened

Mr and Mrs D held a buildings insurance policy with RSA.

In July 2022 Mr and Mrs D had a leak which came though at ceiling level on the ground floor below the shower. So, they contacted RSA.

An engineer attended and capped off the shower; the engineer came out on more than one occasion since capping the shower made no difference to the wet patch downstairs.

Trace and access was conducted and the engineer reported Mr and Mrs D needed to have a new shower bar fitted on the first floor and to redo the seals in the first and second floor showers. Mr and Mrs D had the work done but the wet patch remained. So trace and access was arranged again and this time they were told the patch could be residual moisture that needed to be properly dried, or Mr and Mrs D could have a ‘gas trace’ conducted.

After chasing, an engineer did the gas tracing which showed something behind the second-floor shower. An appointment was arranged to cut a hole in the bedroom wall to get to the second-floor shower. But when the contractor attended he said he didn’t think he needed to get access to the wall. So, the plaster in the living/dining area was cut away and left to dry. This involved a dehumidifier being installed and moisture levels being checked every few weeks.

Mr and Mrs D say the area appeared to have dried but when the contractor came out again he said there was still evidence of damp so he recommended more exploratory work be conducted. On the next visit a different contractor attended and didn’t agree there was still evidence of damp. He thought the earlier contractor took the reading incorrectly and said the area should be replastered and left for two months to check its dry, before being painted.

Mr and Mrs D weren’t happy with the lack of communication throughout the repairs process, or the delays in working out where the leak was coming from. At times they’ve had to chase various different companies and contractors, they paid £350 excess as well as £660 on a new shower and seals due to the leak not being diagnosed properly. There was also constant disruption to their home for around a year, particularly difficult since they have a small child. Because Mr and Mrs D weren’t happy they complained.

RSA accept there was poor service but didn’t accept Mr and Mrs D undertook work that wasn’t needed. RSA said it didn’t agree the leak had been misdiagnosed. It said the trace and access involves a methodical approach to rule out and eventually confirm the location

and source of a leak. RSA awarded Mr and Mrs D £250 to reflect the distress and inconvenience caused by the handling of the claim.

Mr and Mrs D weren't happy with the response so referred their complaint to the Financial Ombudsman. One of our investigators looked into things and said RSA progressed the claim for the most part, communicated clearly and acted fairly when relying on specialist reports diagnosing the cause of the damage. She thought the offer for distress and inconvenience was appropriate and so she didn't uphold the complaint.

Mr and Mrs D didn't agree. They weren't happy RSA were unable to diagnose the leak which caused them significant costs, which they weren't reimbursed for. Because Mr and Mrs D didn't agree the complaint has come to me to decide.

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'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point it's because I don't believe it has affected what I think is the right outcome.

I want to recognise the upset this situation has caused Mr and Mrs D. I've no doubt it would have been upsetting for them when it took some time to find the cause of the leak, and RSA wouldn't reimburse them for the cost of resealing the bathrooms and replacing the shower bar.

I understand Mr and Mrs D took out a home insurance policy to help in difficult situations such as this. So when the claim took longer than expected or the communication from RSA was poor I understand the distress this would have caused. I'm aware the cost of resealing the bathroom, replacing the shower, and paying the excess is significant. I want to assure Mr and Mrs D I've considered this at length when making my decision.

But I need to be clear when explaining it's not my role to re-underwrite the claim. My role is to decide whether RSA assessed and dealt with the claim fairly, against the evidence available to it. And that it acted in line with the terms of the policy when doing so. And in this instance I think it has.

Resealing the bathrooms and replacing the shower bar

During the course of the investigation the contractor recommended resealing the bathroom and replacing the shower bar. Mr and Mrs D paid to do this work but RSA didn't reimburse this cost.

I have checked the terms of the policy which says, "*your policy does not cover you for the cost of gradual deterioration – it is not a maintenance contract.*"

The report from RSA's contractor confirms there is cracking to the grouting and the shower seals looked to be in poor condition in places. The contractor also says an escape of water was located so recommended the bathroom be resealed and the shower bar replaced. So I'm satisfied it was reasonable for RSA to rely on what the contractor advised. And since the policy doesn't cover maintenance I don't think RSA need to reimburse Mr and Mrs D for these costs.

Mr and Mrs D say the work carried out wasn't necessary at the time since they weren't the direct cause of the leak, so whilst they may have had to have that work done at some point it wasn't necessary and could have waited. But I don't agree – there is reference to the shower leaking and I've seen evidence of cracked grouting. So I think its reasonable for the resealing and shower replacement to have been carried out as I haven't seen anything to confirm there was no leak there.

Time taken to find the leak

Mr and Mrs D complain that RSA took time to locate the leak – and that the leak was incorrectly diagnosed initially. But I don't think it's fair to hold RSA responsible for not identifying and fixing it on the first visit. Unfortunately some distress and inconvenience is inevitable when a leak occurs and it isn't always immediately clear as to where the leak is, and if there is more than one.

I can understand why Mr and Mrs D thought RSA should have identified the problem straightaway, but I wouldn't necessarily expect RSA to progress straight to a more in-depth investigation in the absence of further evidence of the leak's likely source. The initial report indicates an issue with the shower and the leak was most likely caused by the cracked grout and sealant failure. So I can see why RSA believed the source of the leak had been identified.

I think it was reasonable for RSA to assume Mr and Mrs D would contact it again if following its advice hadn't solved the problem, which they did. When RSA were told the leak hadn't been resolved it took steps to try and identify the cause, which is what I would expect it to do.

RSA explained it went through a number of methodical steps to rule out and eventually confirm the source of the leak. And it provided advice to Mr and Mrs D based on the information it received from its contractors. Since the contractors are the experts here I think it was reasonable for RSA to rely on their reports.

Compensation

RSA accept there was poor communication at the outset of the claim. So I think it was fair that RSA apologised to Mr and Mrs D and awarded them £250 compensation. I appreciate they don't think this was enough – and I've read what they have said about the impact and stress they've suffered. I've considered this along with what RSA did to try and resolve things. Having done so I think RSA's apology and compensation were a fair response to the complaint. £250 is also in line with our published guidelines for compensation in similar cases and is in line with what I would have awarded. So, I won't be asking RSA to pay more.

I understand this isn't the outcome Mr and Mrs D were hoping for. But in this situation I think RSA has acted fairly and in line with the terms of Mr and Mrs D's policy.

My final decision

For the reasons outlined above, I don't uphold Mr and Mrs D's complaint about Royal & Sun Alliance Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs D to accept or reject my decision before 27 September 2024.

Kiran Clair
Ombudsman