

The complaint

Mr and Mrs H have complained about the way Royal & Sun Alliance Insurance Limited (“RSA”) handled a claim they made under their home insurance policy.

Mr H has primarily dealt with things so, for ease of reading, I’ll refer to him only.

What happened

The circumstances aren’t in dispute, so I’ll summarise the background:

- Mr H got in touch with RSA in October 2023, after he noticed a problem with his drainage system. RSA appointed a drainage company, C, to consider the claim. C inspected, had the tank emptied, inspected again, then reported back to RSA.
- In summary, C said the sewage treatment plant was full of water and had dropped due to ground movement, causing structural damage. C said a new tank was required to put the problem right, and this was covered by the policy.
- In December 2023, RSA declined the claim. It said the cover Mr H had taken out meant the policy didn’t cover his drainage system at all.
- Mr H complained. Whilst he accepted the claim wasn’t covered by the policy, he thought RSA hadn’t handled the claim well. In summary:
 - Mr H thought RSA should have recognised from the outset that his policy couldn’t cover the problem – and told him that.
 - Because it didn’t, he said he suffered stress and anxiety wondering if the drainage system would fail completely.
 - He also facilitated unnecessary inspections and investigations by C, including taking time off from work.
 - And he questioned whether the tank may have been salvageable had it not been for the investigations, which including emptying the tank.
- RSA conceded the claim should have been declined from the outset, given the limited cover on Mr H’s policy. It accepted there was a delay, poor communication and Mr H’s expectations weren’t well managed. It offered £250 compensation. But it didn’t think the way it had handled the claim meant the plant became unsalvageable.
- Our investigator thought RSA’s response and compensation offer was fair. Mr H disagreed. He noted the damage to the tank worsened during the claim. He said if RSA had declined the claim initially, he could have stabilised the tank and prevented further damage, possibly making it salvageable.
- An agreement wasn’t reached, so the complaint has been passed to me.

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.

- Mr H has been clear he doesn't dispute RSA's decision to decline the claim. So I haven't considered this point.
- The focus of Mr H's complaint is the way RSA handled the claim. He says it ought to have declined the claim from the outset – not two months later. RSA has agreed with him, so this point isn't in dispute either. And that means it's agreed there was an avoidable delay of around two months whilst RSA handled the claim.
- What's in dispute is the impact of that delay. RSA has offered £250 compensation for the distress and inconvenience caused. Mr H doesn't think that goes far enough to reflect the impact, both financially and non-financially.
- In a situation like this, the approach of this Service is to consider what would likely have happened were it not for RSA's delay, and decide whether Mr H has likely been disadvantaged as a result – and, if so, to what extent.
- Had the claim been declined from the outset, it's clear that would have avoided some distress and inconvenience for Mr H. He wouldn't have been led to believe the claim may be covered, only to find out it couldn't be. Nor would he have had to communicate with RSA and C, or facilitate the inspections and investigations carried out by C, including the tank emptying.
- However, I don't think all of these kinds of activities would have been avoided entirely. It's likely Mr H would have had to get in touch with a drainage company, who are likely to have carried out at least some of the steps C took.
- Mr H has suggested he may have been able to carry out some of the work himself. That may have reduced the inconvenience of facilitating others to visit, inspect and carry out investigations – but not eliminate it, as Mr H would have had to carry out some kind of investigation to establish the condition of the tank. And, as a result, I think Mr H would likely have experienced a degree of worry about the tank and how it would function until the damage could be put right.
- A key point for Mr H is the possibility he's suffered a financial loss. He's suggested the tank may have been salvageable initially, but, as a result of RSA's delay, it needs to be replaced – and that's more expensive.
- I agree that photos show the damage worsened during the claim. So it's *possible* that, but for RSA's delays, that could have been avoided or lessened. And it's *possible* that would have meant a lower cost to put the problem right.
- To uphold this point, I'd need to be persuaded it's *likely* that, if RSA had declined the claim initially, the cost to put the damage right would have been less. But I haven't seen any professional opinion to support Mr H's position. And I'm not satisfied the available information makes a compelling case for his position. I'll explain why.
- Firstly, I haven't seen any evidence to show the tank could have been repaired based on the initial damage alone. I accept that's possible, but I've seen nothing to show

that. And it may not be the case. If the tank needed to be replaced from the outset, RSA's delay hasn't had a financial impact.

- Secondly, even if it was repairable initially, I haven't seen any evidence to show the worsening damage could have been avoided or lessened such that a repair remained viable. I recognise Mr H says he could have stabilised the tank and I accept that's possible. But that doesn't necessarily mean all of the further damage would have been avoided if he'd done so. And I note he didn't take that course of action. If the damage would have worsened regardless, RSA's delay hasn't had a financial impact.
- Lastly, Mr H says C emptying the tank caused damage due to surrounding hydrostatic pressure. Again, I accept that's possible. But I haven't seen any evidence to support that possibility. It's also possible the damage would have worsened regardless, something else caused the damage, or the tank already needed replacing by that point. There may also be other possibilities.
- In short, there are a number of possibilities for what may have happened without RSA's delay. But there's no professional opinion, or other persuasive evidence, to show Mr H's position is the likely one. As a result, whilst I agree it's possible RSA's delay has caused him a financial loss, I'm not satisfied the evidence shows that's likely. So I won't uphold this point. Mr H is entitled to take professional advice and share it with RSA if he wishes.
- Taking everything into account, it's clear Mr H has suffered a degree of distress and inconvenience due to RSA's delay, and the way it communicated with him. But it's not clear he's been caused a financial loss. In the circumstances, I'm satisfied RSA's offer of £250 compensation is fair and reasonable.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 1 April 2025.

James Neville
Ombudsman