

complaint

Mr W has complained that Royal & Sun Alliance Insurance Plc refused his claim under his caravan insurance policy.

background

Mr W and his partner went to their caravan in September 2013 and found a crack on the front window which they say wasn't there when they left the caravan in July. Mr W made a claim to RSA for accidental damage and RSA asked Mr W to get an estimate to repair the window.

This took Mr W some time as the manufacturer was no longer in business. He sent an estimate to RSA in February 2014. RSA then instructed a loss adjuster to carry out an inspection of the window of the caravan.

The loss adjuster wrote to Mr W and told him that it didn't agree that the crack in the window had been caused by an accident, but instead by normal towing stresses, so RSA refused to deal with Mr W's claim.

Mr W disagreed with the loss adjuster's opinion and said that their caravan had travelled significantly less than what would be considered "normal" so the crack must have been caused by an accident. The loss adjuster then told Mr W that there were significant problems with single front windows in his model of caravan, and that this was widely known in the industry.

Mr W complained to RSA and said that the loss adjuster had changed his reason for the cause of the crack to the window so that it wouldn't have to deal with his claim. RSA said that it considered the crack to be caused by a manufacturing issue so didn't agree it had been caused by an accident, and was therefore excluded from his policy. It paid Mr W £100 compensation as it said the first letter from the loss adjuster to Mr W hadn't clearly explained the reason for refusing his claim.

Mr W brought his complaint to us. The adjudicator who investigated it recommended that it should be upheld. He was of the view that RSA hadn't shown that it refused Mr W's claim because the crack was excluded under his policy. He also thought RSA had caused unnecessary delays when instructing a loss adjuster and failed to keep Mr W updated about his claim. He recommended that RSA deal with Mr W's claim and pay him a further £200 compensation for the trouble and upset it has caused him.

RSA disagreed. It said it clearly explained in its final decision to Mr W that it had refused his claim because of a manufacturing issue and so that falls outside of his policy. The adjudicator asked RSA to send him photos of the crack to support the loss adjuster's opinion but it hasn't provided any.

So the matter has been referred to me to decide.

my findings

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

What isn't in dispute is that Mr W's caravan had a crack in the front window. But RSA and Mr W disagree as to the likely cause of the crack. For ease, I've set out each complaint under the following headings.

normal towing stresses

The loss adjuster's first letter to Mr W told him that he thought the reason for the crack in his caravan window was due to normal towing stresses. He said it was a relatively common problem and therefore not considered to be caused by accidental damage. This first letter was very brief, and failed to clearly explain the reason for refusing his claim. RSA agreed and paid Mr W £100 compensation, which I think is reasonable.

Mr W disagreed with the loss adjuster's reason for refusing his claim because he said his caravan has not been towed more than a few hundred yards in the previous three years. He explained that he thought the crack occurred because of a falling branch or knock from another caravan. The loss adjuster didn't address this issue at all in his second letter, and then told Mr W that the problem with the front window of Mr W's caravan was well known in the industry and commonly found in his make of caravan. Instead, he invited Mr W to look at internet forums about the crack in his front window, but didn't provide any links or references. He also told Mr W that if he still thought the crack had been caused by an accident to provide details of how it happened and the date it happened.

I think the loss adjuster's second response was also unhelpful. Mr W had already made it clear to RSA and the loss adjuster that he didn't know how and when the crack happened. And the loss adjuster didn't consider Mr W's reasoned response. So I think it's unlikely that the crack in Mr W's caravan was caused by normal towing stresses

manufacturing defects

After the loss adjuster wrote to Mr W twice, RSA told Mr W that cracks around the window hinge can occur as a result of normal stresses, which it considered to be a manufacturing issue caused over time. So it concluded that his claim fell outside of his policy, as the crack was caused by a defective construction or design.

For this exclusion to apply, I think that it is for RSA to show that the crack to the window was caused by a manufacturing fault. The loss adjuster's findings don't go far enough to show this. So I don't think RSA has been reasonable in applying this exclusion under his policy as it hasn't shown what if any manufacturing or design faults Mr W's model of caravan has.

wear and tear

In response to the adjudicator's opinion, RSA reiterated that the crack to Mr W's caravan was caused by a manufacturing issue, and then said that it also fell under the exclusion of 'wear and tear'.

However, in order for the window to be cracked by wear and tear, I think that the caravan would have had to be regularly towed and it is firmly established that Mr W's caravan wasn't regularly towed at all. So I think it's most unlikely a crack in Mr W's caravan window was caused by wear and tear in this case.

So, I consider that RSA hasn't shown how a cracked window can occur due to wear or tear at all. As the window was cracked I consider that it's far more likely that it was cracked due to some sort of accidental damage of the sort that Mr W first described, either by a fallen branch or debris or being hit by another caravan or vehicle.

delay dealing with Mr W's claim

When RSA told Mr W he would need to get an estimate to repair his caravan window, Mr W kept RSA updated of the difficulties he was facing in obtaining an estimate because the original manufacturer was no longer trading. RSA was well aware of Mr W's difficulties as it is recorded in their internal notes. But it still wrote to him to warn him it would close his claim file if it didn't receive an estimate. However, when Mr W sent the estimate, RSA only then decided to instruct a loss adjuster to inspect his caravan, and this took a further six weeks before it told him it wouldn't deal with his claim.

I think Mr W was put to unnecessary time and trouble in obtaining an estimate when RSA were always going to rely on the loss adjuster's report before making a decision in any event. It was only when Mr W chased RSA for an update on his claim, that he actually received a reply from the loss adjuster. So I think Mr W received a very poor standard of service from RSA in its failing to instruct a loss adjuster initially when he first made his claim and further in its failing to keep Mr W updated as to the progress of his claim after it had instructed the loss adjuster.

Lastly I think it was unfair of RSA to keep changing its reasons for refusing to pay Mr W's claim as it gave the unreasonable impression that it had always decided to not pay his claim regardless of how it might have been caused.

So I think Mr W has been caused considerable trouble and upset by RSA's handling of his claim overall and for that RSA should pay him an additional £200 compensation.

my final decision

For the reasons I've discussed above, my final decision is that I uphold Mr W's complaint and I require that Royal & Sun Alliance Plc do the following:

- Pay Mr W's claim by replacing the front window of his caravan.
- Pay Mr W additional compensation of £200 for the trouble and upset it caused him.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr W to accept or reject my decision before 10 July 2015.

Geraldine Newbold
ombudsman