

The complaint

Mr M complains that Royal and Sun Alliance Insurance PLC (RSA) is responsible for damage caused to his boiler and that it incorrectly deemed it beyond economical repair, under his home emergency policy.

Reference to RSA also includes its agents where applicable.

What happened

In May 2020 Mr M contacted RSA as his boiler had broken down. It sent an engineer who initially diagnosed that the circuit board was faulty and needed to be replaced. Later he found that the heat exchanger was also faulty and needed changing. He said that to carry out the repairs would cost £1,497. The policy limit was £1,000, which would've made the boiler beyond economic repair (BER).

Due to the engineer's assessment, RSA decided to instruct the boiler manufacturer (BM) to inspect the boiler and agreed a fixed price repair. Unfortunately, following this inspection, BM found that a bracket was corroded, which it said made it impossible to repair. Also, because of this, there was a potential of a gas leak and so the boiler was deemed too dangerous to work. BM then deemed the boiler BER and RSA issued its final response on this basis.

Mr M wasn't happy with BM's assessment as he said its engineer damaged the boiler and he didn't believe that the boiler was BER. RSA told Mr M that he could get a second opinion, which he did. Mr M instructed another engineer to carry out the repair and submitted a report to RSA. RSA considered it and agreed to reimburse Mr M's repair costs.

Mr M asked RSA to complete the outstanding repairs to the boiler and RSA asked BM to complete those repairs. BM refused to do so as it said that the boiler was BER and it viewed it as still dangerous. Mr M wasn't happy by this outcome and made a complaint to our service.

Ultimately, our investigator didn't uphold his complaint She said that:

- RSA had dealt with Mr M fairly.
- RSA's engineer deemed the boiler BER but when Mr M objected, RSA instructed the BM to assess the boiler. The BM also deemed the boiler BER.
- So RSA did try to assist but it doesn't seem to have explained its actions. So she recommended that RSA write to Mr M to explain its calculations. And apart from this, there was nothing further she could ask RSA to reasonably do.

Mr M didn't accept our investigator's view as he said that the gas valve wasn't corroded nor was the lug loose. The BM had damaged the boiler further and RSA haven't provided any evidence to say why the boiler was BER. So he asked for an ombudsman decision

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.

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Having done so, I won't be upholding this complaint. I realise this will be a disappointment to Mr M, but I hope my findings go some way in explaining why I've reached this decision.

Mr M was adamant that there was no corroding of the gas valve nor was the lug loose and that it was the BM who had damaged the boiler further. I have reviewed the report from Mr M's engineer and he said: *'This is to confirm that the rusty gas valve and lug has been replaced..'*

I think this evidence clearly shows that there was corrosion of the gas valve, although I accept that Mr M's engineer did manage to replace both parts. So I think it was fair for RSA to have also deemed that there was corrosion.

Following this, RSA reimbursed Mr M engineer's costs and on Mr M's request asked the BM to carry out the additional repairs to the boiler. Those additional repairs the BM refused to complete.

I have listened to a call recording in which RSA explain to Mr M why the BM refused to carry out the additional repairs. It seems the reason for the refusal was because the BM deemed Mr M's boiler to be BER and wouldn't be able to confirm that the boiler was safe and in line with its instructions - despite Mr M replacing the parts.

In addition, RSA also relied upon the evidence from its engineer who originally deemed the boiler BER. So I don't think that it was unreasonable for RSA to place significant weight on the BM and its engineer's assessments, when it confirmed that the boiler was BER.

Mr M also complains that RSA hadn't provided any evidence as to why the boiler was BER. Having reviewed the evidence, I can see that RSA told Mr M that the first engineer deemed his boiler BER as it was over the policy limit of £1,000. The BM confirmed that it also deemed the boiler BER due to the various parts that needed to be replaced and safety issues.

RSA had previously negotiated a fixed price repair with the BM. I asked about the reason for this and it said that its best practice was to instruct the BM as it would mean lower costs and time spent on repairs for customers. And a one-off fixed price repair would mean that the BM would be in the best suitable position to guarantee a first-time fix. So I think it was reasonable for RSA to have negotiated the fixed price repair to keep costs low for Mr M. And, I don't think it can be blamed for the BM refusing to complete the additional repairs to the boiler.

Taking this all into account, I think that RSA has dealt with Mr M reasonably and I am satisfied that it applied the policy terms fairly. So I can't reasonably ask RSA to do anything more to resolve this complaint.

My final decision

My final decision is that I don't uphold this complaint, for the reasons given

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 December 2020.

Ayisha Savage
Ombudsman