

## The complaint

Mr S and Mrs S are unhappy about how Royal & Sun Alliance Insurance Plc (RSA) dealt with a claim under their home emergency policy, which was part of their home contents policy.

## What happened

Mr S and Mrs S contacted RSA to make a claim under their home emergency policy when their boiler stopped working. An engineer said he couldn't do the work because a cupboard needed to be removed to provide access. Mr S then removed the cupboard and another engineer visited to repair the boiler. The engineer fitted new parts and switched the boiler back on, at which point it started to leak. The engineer was unable to fix the leak. Another engineer attended, who didn't know how to fix the boiler. RSA then sent another engineer, who said the heating assembly needed to be replaced. The engineer returned two weeks later to carry out the replacement. While the engineer was working, a bolt snapped and he then told Mr S and Mrs S that the entire boiler system needed to be replaced.

Mr S and Mrs S complained to RSA. RSA said that the claim had reached the home emergency policy limit and, as the repair was unsuccessful, the boiler was deemed beyond economic repair. RSA waived the costs that had gone over the policy limit, said it would review any further evidence provided by Mr S and Mrs S about the issue with the boiler and offered £50 compensation because they had felt it necessary to raise a complaint.

Mr S and Mrs S complained to this service. Our investigator partially upheld the complaint. She didn't find that RSA was responsible for the boiler being beyond economical repair. However, she did think that Mr S and Mrs S were inconvenienced by the way the claim had been dealt with. She said that RSA should pay a further £200 compensation.

As Mr S and Mrs S did not agree, the complaint has been referred to me.

I issued my provisional decision on 7 September 2020. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

*The main issue in this complaint is that following work carried out by RSA, Mr S and Mrs S's boiler had to be replaced. The question is whether this was due to the actions of RSA.*

*As part of this service looking at this complaint, RSA reviewed photos and the claim history and said:*

*"The report from the engineer is not 100% clear. However it looks like when trying to remove the old heater it has disturbed/split the boss in which it sits. This would unfortunately make the heater beyond repair. This is an unfortunate event but it does sometimes happen."*

*On that basis, I am satisfied that, by RSA's own admission, the boiler was damaged due to the actions of its engineer and that this resulted in RSA deciding that it couldn't be fixed.*

*I need to consider what should happen as a result of this. There was clearly a fault with the boiler, as this was why Mr S and Mrs S contacted RSA in the first place. The first engineer carried out a repair but this resulted in a leak. I'm unable to say whether that was due to poor workmanship or whether the repair highlighted an existing issue. Nonetheless, I can understand that Mr S and Mrs S were unhappy that the first repair resulted in another issue.*

*The second attempt to fix the boiler resulted in RSA deciding it was "beyond economical repair" due to it exceeding the policy limit. I note that this is actually different to what the more recent review by RSA showed, which is that the boiler was "beyond repair". These are not the same thing. The boiler being beyond economic repair meant that the boiler wasn't worth what it would cost to repair it. However, it being beyond repair meant that it wasn't possible to fix it.*

*I'm also aware that RSA told this service that the boiler being broken was "an unfortunate event but it does sometimes happen". I haven't seen any evidence that RSA warned Mr S and Mrs S of this possibility before the engineer attempted to carry out the repair, so that they could make an informed decision about how they wanted to proceed. It seems that RSA knew that boilers sometimes broke while repairs were being carried out and then couldn't be fixed, but I have no reason to think that Mr S and Mrs S knew this. I can therefore understand that they were surprised and unhappy about what happened and that they had to buy a new boiler following the engineer's visit.*

*So, I don't think it is fair for RSA to refuse to take any responsibility for the boiler having to be replaced by arguing that this sort of issue sometimes happens. If the boiler had only been beyond economic repair, Mr S and Mrs S could have decided whether they wanted to invest more money in order to maintain it, even if RSA was unwilling to cover the boiler under its home emergency policy. As part of that, they might have chosen to buy a new boiler. However, because the part was unexpectedly, although I assume unintentionally, broken by the RSA engineer, Mr S and Mrs S had no choice but to buy a new boiler.*

*I'm also mindful though that I don't know if it would have been possible to fix the boiler if the part hadn't been broken. It isn't clear what the overall condition of the boiler was before RSA sent its engineers, although I accept that it had been working before the original fault occurred. However, the boiler hadn't been serviced for several years and it was quite an old model. This doesn't mean that the boiler had necessarily reached the end of its life, but I think it was more likely than not that it would have to be replaced at some point in the not too distant future anyway, even if it had been possible to fix it.*

*As a result, I currently think that RSA should pay 50% of the cost of replacing the boiler and having it fitted. This is because its engineer broke a part that, by its own admission, made it beyond repair. But, given the age of the boiler, its overall condition not being clear due to the lack of servicing and that it wasn't certain whether, if the part hadn't broken, it was going to be possible to repair the boiler anyway, I don't think that RSA should pay the full cost of replacing it. I understand that Mr S and Mrs S have already had the boiler replaced, so they would need to provide RSA with appropriate evidence of the boiler and fitting costs.*

*I also think that RSA should pay Mr S and Mrs S some compensation. They had a series of visits from engineers, including some who were unable to carry out any repair at all. This meant that they were without hot water for some time. So thinking about all of the circumstances, I'm currently of the view that RSA should pay Mr S and Mrs S £200 in compensation for the distress and inconvenience caused as a result of how their claim was handled. To be clear, this is £200 in total, so £150 in addition to the £50 that RSA already offered.*

I asked both parties to send me any more information or evidence they wanted me to look at by 7 October 2020.

RSA replied and said it had nothing further to add.

Mr S and Mrs S accepted my provisional 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.

Having done so, I've decided to uphold this complaint in line with my provisional decision and for the reasons previously given.

### **Putting things right**

RSA should pay 50% of the cost of replacing the boiler and £200 compensation.

### **My final decision**

For the reasons I've given above and in my provisional decision, my final decision is that the complaint about Royal & Sun Alliance Insurance Plc is upheld. As a result, I require it to:

- Pay 50% of the cost of replacing the boiler, subject to Mr S and Mrs S providing appropriate evidence of the costs.
- Pay £200 compensation.
- Pay 8% simple interest on the cost of replacing the boiler from the date of the invoice to the date the money is paid.
- If Royal & Sun Alliance Insurance Plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr S and Mrs S how much it's taken off. It should also give Mr S and Mrs S a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 6 November 2020.

Louise O'Sullivan  
**Ombudsman**