

The complaint

Mr H complains about Royal and Sun Alliance Insurance Limited's (RSA) poor customer service, under his home emergency policy.

What happened

Mr H booked RSA for an annual service of his boiler. It sent an engineer, who during the service, found that a few parts needed to be replaced, which he did. He subsequently found that other parts needed to be changed as well and dismantled the boiler. Following this, he advised that the boiler manufacturer (BM) should attend to complete the repairs.

The BM attended but refused to repair the boiler, until the original engineer returned to re-assemble the boiler. That engineer attended and re-assembled the boiler but didn't carry out any further repairs. So, another BM engineer attended. He said that he was unable to carry out the repairs due to health and safety issues. RSA then sent another engineer and he said that more parts would be required to complete the repair.

Mr H explains that he called RSA a few times for updates and progress of his claim but didn't get a response. After a while, RSA contacted Mr H and said that it deemed the boiler beyond economical repair (BER) and it would replace it free of charge.

Following on from this RSA contacted Mr H and told him that it would now be contributing £400 towards the cost of a new boiler. Mr H asked why RSA wasn't now installing a new boiler free of charge, to which it said it would update him later.

Having been without hot water and heating and having heard nothing from RSA for a while, Mr H arranged for an independent engineer to install a new boiler which cost him £2,600.

RSA contacted Mr H and it said that it would pay £2,500 towards the cost of a new boiler as his boiler was under ten years old. He explained that due to the delay he had organised for a new boiler to be installed and he was told to send in a copy of the invoice of the installation, which he did. RSA then offered £400 towards the cost of the boiler (as it realised it hadn't correctly applied the boiler's age). Consequently, Mr H raised a complaint to RSA.

In its final response, RSA accepted that its customer service was lacking and offered £350 for the trouble and upset it had caused. It apologised for the confusion over whether it had previously offered to install a boiler free of charge and relied upon the policy, which allowed for a contribution of £400 towards the cost of a new boiler. It agreed to send this payment and the compensation of £350 to Mr H.

Mr H wasn't satisfied so he referred a complaint to us. Our investigator didn't uphold the complaint. She said that RSA had applied and relied upon the terms and conditions of the policy when it offered a contribution towards the cost of a new boiler. Which was fair. That RSA had been fair in its offer of compensation for the trouble and upset it caused, so there was nothing further she could reasonably do.

Mr H didn't agree with our investigator. He said that RSA had used the wrong boiler to compare with his boiler and had it carried out the repairs as it should have done when the first engineer attended, then his boiler wouldn't have been classed as BER. So, Mr H asked for a decision from an ombudsman.

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

My role is to determine whether RSA acted fairly towards Mr H in dealing with his claim. To this end, I think the main issues are whether RSA incorrectly deemed the boiler to be BER, whether RSA provided poor customer service and finally, whether RSA ought to reimburse Mr H for the boiler.

Mr H has said that his boiler was working well before the annual service and before any of the RSA engineers attended. I have considered the engineer's notes and they are quite detailed. The first engineer (who is considered an expert) said that the boiler was leaking and various parts needed replacing.

Subsequent engineers also reached the same conclusion, in that several parts in the boiler needed replacing. Based on the engineer's report, he deemed the boiler to be BER. Whilst I understand that Mr H found that his boiler worked before the service was carried out, RSA has provided expert evidence to say that the boiler needed parts replacing, which it discovered when it attended to carry out the annual service. So, I think it's reasonable that RSA relied upon the expert's opinion, which concluded that the boiler was BER.

I have next considered whether RSA provided poor customer service to Mr H. Having reviewed the evidence, I think it did and I'll explain why. Mr H described that on a number of occasions he had to chase RSA for updates on his claim, made a several calls and sent emails in his attempt to progress the claim. Also, that he was given incorrect information from RSA and left without heating and hot water for over a week.

RSA apologised for the poor level of customer service that Mr H experienced. It accepted that it had missed several opportunities to call and update Mr H. In addition to sending out multiple engineers to his home and giving him incorrect information. It recognised that it was unacceptable that Mr H was without heating and hot water and for all the poor service that Mr H experienced, RSA offered £350 compensation.

Mr H sought a far greater amount. Although I can understand how this would've impacted on him, I think that the £350 offered, for all the inconvenience caused, is fair given that he was without heating and hot water for a while and that there were vulnerable people in his home. So, I'm not asking RSA to increase its offer.

I have looked at the terms and conditions of the policy that Mr H had with RSA and particularly the terms that related to BER of boilers. The policy provides:

'The cost of parts including VAT, using reputable suppliers, this should not exceed 75% of the price of a boiler of the same or similar make and model to your boiler on cover.'

Mr H complained that RSA did not use the same model boiler when it determined that his boiler was BER. But, having reviewed the notes I can see that a quote was obtained by RSA from its supplier for the same boiler that Mr H had. In addition, RSA had also obtained a

quote for a similar specification to Mr H's boiler. The parts that were required to be replaced exceeded the 75% of the cost of both boilers and because of this, RSA deemed Mr H's boiler BER. Consequently, I think it was reasonable for RSA to have complied with the terms and conditions of the policy.

RSA acknowledged that Mr H was given incorrect information that he would be entitled to a complete boiler replacement. But, given the clause in the policy which states: *'If your boiler is 7 years old or more, but less than 10 years old at the initial policy start date, we will pay a contribution of £400 towards the boiler replacement until the boiler is 10 years old at renewal.'* Mr H's boiler's age was around nine years old. This meant that under the terms of the policy, RSA's obligation was to pay a £400 contribution towards the cost of a replacement boiler, which it did. So, I'm satisfied that RSA complied with the terms and conditions of the policy.

Taking all of this into account, I think RSA acted fairly when it relied upon the terms and conditions of the policy in dealing with the claim and offering the £400 contribution to the replacement boiler. And I think that the £350 compensation offered for the trouble and upset it caused, is fair. So, I can't reasonably ask RSA to do anything more to resolve this complaint.

My final decision

My final decision is that the £400 contribution towards a replacement boiler and the £350 compensation for the trouble and upset that Royal and Sun Alliance Insurance Limited paid, is fair in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 April 2021.

Ayisha Savage
Ombudsman