

The complaint

Mrs M complains that Royal & Sun Alliance plc (RSA) is responsible for poor service in connection with a home emergency insurance policy.

What happened

The Financial Ombudsman Service deals with a consumer complaint against one insurance company or other regulated financial firm at a time. Where it's a complaint about a claim under an insurance policy we treat it as a complaint against the insurance company that was responsible for dealing with that claim.

In our final decision we name that firm, but we don't identify any other party.

From about 2011, Mrs M had a policy that included cover for her central heating boiler. The policy was branded with the name of an insurance intermediary.

From at least 28 December 2017, RSA was the insurance company that was responsible for dealing with claims. Where I refer to RSA, I include the intermediary, engineers and others insofar as I hold RSA responsible for their actions.

The policy terms provided that RSA would replace the boiler in certain circumstances. In 2018 Mrs M made a claim and RSA replaced her boiler on about 22 November 2018.

In late September 2019, the manufacturer of the boiler said it was "immediately dangerous". It identified low gas pressure from old gas supply pipework of narrow diameter. Mrs M complained that she and her husband had been left without heating.

RSA's engineers changed some of the pipework and got the boiler working.

By a final response letter dated 28 November 2018, RSA said it was sending Mrs M £100.00 compensation for poor service and £55.00 towards heating costs.

Mrs M didn't renew the policy from 28 December 2019. Mrs M brought her complaint to us in early February 2020.

Our investigator recommended that the complaint should be upheld in part. She thought that the boiler hadn't been installed correctly and this caused Mrs M stress. The investigator recommended that RSA should pay Mrs M, in addition to the £100.00 compensation she had already received, an additional £100.00 compensation.

RSA agreed with the investigator's opinion.

Mrs M disagreed. She asked for an ombudsman to review the complaint. She says, in summary, that:

- She and her husband had no heating in very cold weather in 2018 and didn't want to go through that again.

- RSA said in 2018 that it would install a system boiler. But it delivered a combi boiler. It said it would convert it to a system boiler.
- She had no confidence in the engineer or in the new boiler or in the validity of the manufacturer's warranty or in a claim under the policy if she didn't renew it. So she felt she had no choice but to renew the policy from December 2018. She was paying premiums for a boiler that was unfit for purpose.
- She and her husband have always accepted the payment of £55.00 towards extra heating costs.
- She felt RSA had a cynical and systemic approach to cover.
- RSA didn't return calls. She had to speak to seven different staff members.
- RSA asked questions about whether she and her husband had installed additional gas appliances since the policy started.
- £200 isn't sufficient and certainly wouldn't encourage insurers to look at their practices.

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.

The Financial Ombudsman Service isn't a regulator. We look at an individual complaint rather than patterns of conduct. Where we find that a firm has done something wrong, we look at the impact on the complainant consumer. We assess compensation by reference to that impact – not by reference to punishing or deterring the firm's conduct.

I've seen RSA's policy terms booklets dated 7 November 2017, 1 September 2018 and 15 July 2019.

From the policy schedule, I think Mrs M had cover for her boiler and for her gas supply pipe.

In November 2018, Mrs M was expecting a new system boiler, so she wasn't happy when RSA delivered a combi boiler. And her lack of confidence in the engineer turned out to be justified in some respects by later events.

But the combi boiler was installed to run as a system boiler. And – in the end - the evidence is that the boiler is working correctly. So I don't find that RSA treated Mrs M unfairly by installing a combi boiler.

However, I find that RSA should've identified the issue with the gas supply pipework in 2018.

Whilst she may have felt she didn't have a choice, I consider that it was Mrs M's choice to renew the policy later in 2018. In any event she had the benefit of cover. So I don't find it fair and reasonable to direct RSA to refund any of her premium.

I find that RSA didn't communicate with Mrs M as well as it should have. But I don't find that RSA treated Mrs M unfairly by asking about when other appliances had been attached to the gas supply pipework.

I find RSA responsible for poor installation and commissioning – which led directly to Mrs M being unexpectedly without heating in late September and early October 2019. That – coupled with shortcomings in its communication - caused Mrs M distress and inconvenience.

Putting things right

Overall, I don't consider that RSA's offer of £100.00 was enough compensation for that. I agree with the investigator that a total of £200.00 is fair and reasonable.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Royal & Sun Alliance plc to pay Mrs M – in addition to its payment of £155.00 – a further £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 22 March 2021.

Christopher Gilbert

Ombudsman