

The complaint

Mr B complains about Royal and Sun Alliance Insurance PLC (RSA) who deemed his boiler beyond economic repair, following a claim under his home emergency policy.

What happened

Mr B contacted RSA for the annual service of his boiler. It sent an engineer who after inspecting the boiler, deemed it beyond economic repair (BER). Mr B wasn't informed soon afterwards, that his boiler had been BER.

Mr B said that the fault with his boiler was due to a water leak. He said that an engineer had said in 2019 that there were signs of a leak and had he been told at the time, he would've been able to monitor the leak and hopefully prevent any damage. So, he felt that RSA's engineer had been negligent.

Mr B complained to RSA. In its final response, it said that its engineer wasn't negligent as when he inspected the boiler there were signs of a leak (water marks) but not an actual visible leak, so there was nothing that the engineer would've told Mr B. Also, that Mr B didn't report a leak until over a year later.

RSA concluded that there had been delay when it eventually told Mr B that his boiler was BER. For the poor customer service, it offered £100 compensation. Mr B was unhappy with this outcome and referred a complaint to this service.

One of our investigators considered the complaint and didn't uphold it. She concluded that RSA didn't need to take any action. She said that she didn't think there was enough evidence to say that had RSA informed him about the leak, the boiler would still be working. So, she wouldn't be asking RSA to do anything else to resolve the complaint.

Mr B didn't agree with her view. He maintained his opinion, that had the engineer told him of the leak, he would've monitored it, and this would've prevented it becoming BER. So, he 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 B, but I hope my findings go some way in explaining why I've reached this decision.

My role is to examine whether RSA has acted fairly and reasonably. In doing so I've looked at the policy terms, circumstances and industry guidelines. The main issue here is whether the engineer should've told Mr B about the leak and whether this would've prevented his boiler being deemed BER.

Mr R said that he would like RSA to pay for the new boiler that he had to install and to pay compensation for the lack of heating and hot water he experienced.

I have reviewed the policy terms and schedule and it states that cover doesn't extend to a boiler replacement. From the notes of the engineer who attended to carry out the annual service, he saw that there was a sign of a previous leak, but there was no active leak.

Following on from the annual service, Mr B had to call RSA, as his boiler had developed another fault. The engineer carried out a temporary repair but, on that occasion, no leak was found. A few months later Mr B called RSA again as his boiler was leaking and suffered another fault. On that occasion RSA deemed his boiler BER. Having reviewed the engineer's notes there were several parts required to repair the boiler and given the cost involved, RSA said the boiler was BER.

Therefore, the only expert evidence that provides a report of an actual leak, was when the engineer deemed the boiler BER and not before. In addition, Mr B's boiler was over 12 years of age and was likely to be at a stage where it developed more faults. Which I think is borne out by the evidence of the increased call outs for the various faults. So, I'm not persuaded that RSA ought to have told Mr B about a leak earlier, as from the evidence, there were no active leaks before the boiler was classed as BER. So, I can't agree with Mr B that RSA were negligent.

RSA has admitted that there was some delay in telling Mr B that his boiler was BER. For its poor customer service, it paid Mr B £100, for the trouble and upset it caused. I have considered whether this is fair, and I think it is, as it acknowledges the delay. I also think the compensation RSA paid, is reasonable and in line with what I would have suggested, had it not already been offered.

Overall, I don't think there is enough evidence to support Mr B's complaint that RSA was negligent. I think that the £100 paid for the delay was fair in the circumstances and I won't be asking RSA to do anything more to resolve this complaint.

My final decision

My final decision is that Royal and Sun Alliance Insurance PLC has already paid £100 for the trouble and upset it caused and I think this offer is fair in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 July 2021.

Ayisha Savage
Ombudsman