

The complaint

Mr D complained that Royal & Sun Alliance Insurance Limited (RSA) did not correctly repair his boiler and this led to the boiler needing to be replaced.

Mr D's claim and complaint was handled by a third-party company on behalf of RSA but, for ease, I'll refer to all actions and comments as those of RSA.

What happened

Mr D had a HomePlan policy that was underwritten by RSA. The policy covered Mr D for an annual boiler service, boiler and heating system repairs, as well as repairs to a number of utilities. An engineer attended Mr D's home on 17 February 2020 to carry out the annual boiler service. Mr D contacted RSA the following day to report a boiler leak and the same technician attended his home on 19 February 2020.

Mr D again contacted RSA on 15 November 2020 to report a boiler leak. A technician attended and turned the boiler off. RSA arranged for the manufacturer to inspect the boiler on 18 November 2020. The boiler remained turned off and the manufacturer deemed it to be beyond economical repair (BER).

Mr D complained to RSA and said the manufacturer's inspection indicated the boiler gasket was not replaced back in February 2020, but it should have been. And the failure to replace it was the reason the boiler stopped working and was BER. Mr D asked RSA to cover the full cost of the new boiler he'd had installed. He said he was in the process of selling his home when the boiler failed and so paying for a new boiler didn't benefit him.

RSA responded to Mr D's complaint in December 2020. It said it had not replaced any electrodes or the gasket. RSA said the last engineer to attend was in February 2020. And when the boiler began to leak after his visit, he re-visited and cleaned the condensate pipe. It said there was no evidence that work carried out by its engineers caused the boiler to fail.

RSA acknowledged there were delays that meant Mr D was without central heating and hot water for 12 days. It offered Mr D £45 to reimburse him for alternative heating costs and £100 for the inconvenience and delay caused during the installation of the new boiler.

Mr D responded to RSA. He pointed to RSA's statement in the complaint response letter that the manufacturer's technician said electrodes were replaced prior to their visit. He said this contradicted RSA's assertion later, in the same letter, that it had not replaced any electrodes in the past. Mr D also said RSA indicated it had not replaced the gasket. He said this was the issue – that the gasket wasn't replaced when it should have been.

RSA responded to Mr D to clarify its position. It said when its technician attended in November 2020, he identified repairs that needed to be carried out. And RSA asked the manufacturer to do this work to ensure the fault was repaired in one go. It said the manufacturer noted the electrodes had been replaced without a new gasket. It said the boiler was deemed BER as it was 12 years old and because of the extent of repairs needed. It also

said records show it had not changed any electrodes during earlier visits and so it had no evidence it caused Mr D's boiler to be deemed BER.

Mr D was unhappy with the response from RSA and so complained to this service. He said RSA were at fault for his boiler now being BER. And he asked to be reimbursed for the full cost of the new boiler. Mr D said he moved home in December 2020 and so had no benefit from the new boiler. He asked for compensation for the inconvenience of having no heating or hot water for two weeks and to be reimbursed for the cost of the policy from the installation date of the new boiler, as it was under warranty.

Our investigator upheld Mr D's complaint and asked RSA to pay the full cost of the replacement boiler. He said although RSA's system notes don't mention repairs being carried out or needing to be carried out, a phone call was made by Mr D to RSA in February 2020 during which he said *"the engineer is already making an appointment to come back because he said that there's a gasket needs changing"*. Our investigator said Mr D wouldn't have been aware the gasket needed to be changed unless he was told so by the technician. And there's no evidence the technician returned to replace the gasket. Given that the manufacturer identified the damage to the boiler as being as a result of the gasket failing, and this led to Mr D having to pay to have his boiler replaced, it was fair to ask RSA to pay the full cost of the replacement boiler, plus 8% interest. Our investigator said Mr D hadn't benefited from the new boiler as he moved home soon afterwards.

RSA responded and said it agrees the deterioration of the boiler could have been limited, had the gasket been replaced sooner. However, as the boiler was installed in 2008 and was therefore towards the end of its reliable life expectancy, it offered to reimburse 50% of the monies paid for the replacement boiler.

Mr D didn't accept RSA's offer, as he thought it should reimburse him for the full cost of the boiler. He also thought an award of £700 was appropriate for the inconvenience caused.

As neither party agreed with what our investigator said, this has come to me for a 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 am upholding this complaint.

I can see from the policy documents that cover for a replacement boiler isn't included on Mr D's policy. So, the issue here is whether RSA are at fault for Mr D's boiler being deemed BER and whether they should pay any or all of the costs towards the new boiler he had installed.

I realise that since our investigator issued his assessment, RSA has agreed that the deterioration of the boiler could have been limited had the gasket been replaced sooner. But, for completeness, I will first of all look at whether RSA made any errors that contributed in part or in whole to the boiler being deemed BER.

I can see that the call out notes provided by RSA indicate that checks were carried out in February 2020 and no issues were reported. RSA said the paperwork is incomplete and doesn't detail the work carried out by the technician when he returned after a leak was reported following the boiler service. So RSA contacted the technician and he recalled that the work carried out was unblocking the condensate pipe. However, having listened to a call

recording of the conversation Mr D had with RSA when he reported the leak in February 2020, I'm satisfied that other work was planned and then not carried out.

I say this because when Mr D spoke to the RSA advisor, he said the technician who attended the previous day was already making an appointment to come back, as a gasket needed to be changed because it had hardened over time. And I'm satisfied Mr D wouldn't have made this statement unless he'd been told this information by the technician. So I'm satisfied the technician indicated that a gasket needed to be changed and that the technician had intended to do just that. Having looked at the manufacturer's report from November 2020, it's clear that the gasket hadn't been replaced as planned.

The manufacturer's report goes on to say the gasket had failed causing damage to the boiler and that electrodes had been replaced without a new gasket. My understanding of this is that the gasket should have been replaced when the electrodes were – and I think it's likely the technician replaced the electrodes in February 2020 – and this is the cause of the damage to the boiler. From what I can see, this was the only cause of damage highlighted on the manufacturer's report. So, I think it's fair to say that RSA has made an error here and that its failure to replace the gasket has caused damage to Mr D's boiler, to the extent that it could no longer be used and needed to be replaced.

So the question now is how to put things right. I would usually ask any business who'd made an error to put the consumer back in the position they would have been in if the error hadn't occurred. It's not possible here to do exactly that, as the error led to Mr D's boiler needing to be replaced and that can't be undone.

But, if RSA had carried out the planned repairs and replaced the gasket, then I think it's unlikely Mr D would have incurred the cost of replacing the boiler before moving house, which happened sometime in December 2020. So, the fact is that Mr D is out of pocket for the full cost of the boiler because of RSA's error. And he hasn't got any benefit out of the new boiler, given that he moved house very soon after.

I appreciate that the boiler was 12 years old, but it just isn't possible to speculate about when it might otherwise have stopped working. So I think a fair outcome here is for RSA to pay the full cost of the replacement boiler, so that Mr D is not out of pocket as a result of its error.

I understand Mr D was without central heating and hot water for about 12 days. Although he did have the use of an electric shower and electric heaters. And RSA has already reimbursed Mr D £45 to cover the cost of the heating. I don't doubt that this all caused Mr D some inconvenience. But I'm satisfied the £100 already offered and £45 for heating is enough to compensate him for that and I'm not asking RSA to do anything else.

I also don't think that RSA need to reimburse any of the monthly premium costs, which Mr D would like it to do given that his new boiler was under warranty and so boiler cover wasn't necessary. This is because the policy covers a wide range of utilities, and Mr D had the full benefit of the policy for these while it was in place. Had anything else that was covered gone wrong, then he would have been able to submit a claim in the usual way.

My final decision

It's my final decision that I uphold this complaint and require Royal & Sun Alliance Insurance Limited to reimburse Mr D the full cost of buying and installing his new boiler and to pay Mr D the £145 offered by it, if this has not already been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 February 2022.

Martina Ryan
Ombudsman