

## **The complaint**

Mr F is unhappy with the service provided by Royal and Sun Alliance Insurance Limited under his landlord's home emergency policy. Mr F was unhappy about being charged for a contractor to be called out, and the lack of temporary or permanent repair being offered.

For ease I'll refer to any RSA appointed parties or representatives as RSA in the decision.

## **What happened**

Mr F made a claim due to issues with the electricity failing in his rental property. Mr F told RSA that whenever the oven was turned on the electrics for the whole house would trip. RSA agreed to send out a contractor, but it reserved its position about whether cover under the policy would apply. It said it would need to reserve funds (£99) from Mr F's bank account in relation to the call out charge. RSA said if the problem was solely down to the oven then policy cover wouldn't apply. It said if the fault was with the electrics Mr F would be covered for a temporary repair.

Once the visit had been completed the contractor said the oven was the cause of the problem. RSA said to Mr F if the oven wasn't used there wouldn't be any issues with the electrics, and this would count as a temporary repair. It also took the reserved £99 from Mr F's account for the contractor call out charge as it said this wasn't covered by the policy.

Mr F said this was covered by his policy and he should never have been charged for the contractor. Unhappy with the outcome he brought a complaint to this service.

Our investigator upheld the complaint in part. He didn't think Mr F was entitled to the cost of a replacement oven as he'd requested. Mr F had bought the new oven as he said that was the most economical repair option. Our investigator said the terms and conditions didn't require RSA to pay for this. But he did feel there had been upset caused by RSA taking the £99 charge and not agreeing to refund this earlier. For the distress and inconvenience caused he said RSA should pay £100 in compensation to Mr F.

Mr F didn't accept this and asked for his complaint to be passed to an ombudsman. At this stage Mr F said his complaint was about RSA not offering a temporary repair. He said being told, at the time, by an unqualified RSA customer service advisor to turn off the oven without any inspection wasn't an appropriate temporary repair. He said at that stage the fault was unknown. Mr F said this was why he replaced the oven. Our investigator responded noting that originally Mr F said he was unhappy about the £99 charge. He also noted the policy terms and conditions defined a temporary repair as a resolution or repair which resolves an emergency. Our investigator said with the oven turned off the electricity didn't fail and ended the emergency in line with the policy.

## **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 reviewed everything, I've paid particular attention to Mr F's complaint form and his two final responses from RSA. There's lots of details on the complaint form. Mr F said he would like the £199 for the new oven as *"the most economical and feasible method of repair."* Mr F also said, *"completing a temporary resolution or repair (or a permanent repair) should have been carried out to the oven."* He said he was unhappy about being charged for the call out. And wants compensation for the 4545upset experienced.

The two final responses from RSA refer to a couple of issues:

The first final response talks about *"Dissatisfied that reserved funds were processed"* and the second one refers to *"Dissatisfied that the cost of a new oven would not be reimbursed as a repair to the reported Home Emergency."*

In the first final response RSA accepted that it shouldn't have taken the contractor charge (£99) from Mr F's bank account. It said the *"policy does not state that we will not cover a failure of electrics that is caused by an appliance."* It apologised and arranged for the £99 to be returned to Mr F's bank account. It felt delay wise compensation wasn't required. RSA said not using the oven was a suitable temporary repair and in line with the policy wording. I've included the wording RSA referred to here:

#### *"Emergency Work*

*Work undertaken by the contractor to resolve an emergency by completing a temporary resolution or repair (or a permanent repair where this can be done at a similar cost) in respect of the occurrences covered by this insurance subject to the policy claim limits."*

In the second final response RSA didn't accept it was required to do anything further. It said, *"as the policy only seeks to provide a temporary repair or resolution; in this instance not using the oven prevented the electrics from failing and ensured power was maintained to the rest of the property."* RSA continued that after the contractor had visited the property he reported *"the electrical fault was as a direct result of the oven itself and not the electrics."* RSA confirmed it didn't need to assist any further and Mr F *"would need to seek to resolve the issue privately by way of a permanent repair."*

RSA concluded that *"The Landlords Home Emergency policy seeks to provide a temporary repair or resolution; or permanent repair where this can be done at a similar cost. In this instance, refraining from using the appliance provided a resolution and prevented the insured emergency from occurring and thus allowed time for a permanent repair to be completed by you. We would not consider the replacement of the oven to be at a similar cost to a temporary repair and we will therefore not be able to reimburse the amount of £199.00."*

RSA again referred to the emergency work wording noted above but also referred to a further policy section noted here:

*"Permanent Repair: Repairs or work required to permanently resolve the reason for the emergency occurring Temporary Resolution or Repair A resolution or repair which will resolve an emergency but will need to be replaced by a permanent repair."*

So, I think RSA did consider all the aspects of Mr F's complaint.

Regarding refunding the £99 charge and apologising for taking it in the first place I think RSA came to a fair and reasonable outcome. I think RSA accepted that it had made a mistake and dealt with it. I can understand Mr F's concern that just not using the oven wasn't any sort of resolution as far as he was concerned. I can see his point. But, in terms of the policy and what RSA has said I don't think RSA acted unreasonably or unfairly in the way it applied its

wording. I think it was clear in explanation what it was willing to do and what cover the policy offered. I can understand Mr F doesn't think it helped him resolve matters and he felt he had to take matters into his own hands. But it's clear that only the oven was causing the problem and once that was recognised not using it did mean there was no longer an emergency. Based on what the policy said about emergency work I think RSA has reasonably applied its wording regarding temporary or permanent repairs and/or replacements.

In terms of compensation Mr F has referred to his costs per hour based on his job. Unfortunately, any sort of claim does involve a certain amount of time to put matters right. This service doesn't base the use of such time on the hourly rate of the customer. It's an unfortunate but necessary requirement to use some time to resolve a claim. In this case there was an impact on Mr F in terms of the distress and inconvenience caused to him having to deal with the issues, particularly trying to get back the £99 that shouldn't have been taken from his account. RSA shouldn't have taken the money and once it knew this it should have arranged to pay back Mr F immediately. I think £100 compensation for this is a reasonable outcome in the circumstances of this complaint.

### **Putting things right**

- Pay £100 compensation for the distress and inconvenience caused.

### **My final decision**

I uphold this complaint in part.

I require Royal and Sun Alliance Insurance Limited to:

- Pay £100 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 26 May 2023.

John Quinlan  
**Ombudsman**