

The complaint

Ms A complains about the decision to decline her home insurance claim by her insurer Royal & Sun Alliance Insurance Limited (RSA).

What happened

In December 2021 Ms A claimed to RSA as her boiler was malfunctioning and RSA sent out engineers. Unfortunately the engineers couldn't fix the boiler and told Ms not to use it. Ms A called RSA for help under her home insurance policy as she had no hot water or heating.

RSA's agents attempted to diagnose the fault with the boiler, and Ms A obtained her own engineer to inspect the system. RSA said the problem was due to a build up of sulphate within the pipes and declined the claim in December 2021 because it said Ms A's policy doesn't offer cover for the work required.

Ms A said about a day was wasted while she was passed between insurer and broker and by the insurer closing her claim when it was unresolved. She said she hadn't seen the policy wording that RSA relied on to decline her claim as it hadn't sent her the current policy. She said this was relevant because it excludes damage to underground pipes caused by sulphur.

Ms A complained to RSA and said it should cover the cost of the repair work and pay her for the inconvenience she has suffered for having no hot water or heating for ten weeks. RSA confirmed that it didn't have liability for the claim under the policy, but offered Ms A £50 compensation for its delays.

Ms A was unhappy with RSA's response to her complaint and brought it to our service. She said the work to the gas pipes still hadn't been done. And she said that RSA's engineer had damaged her boiler's pressure gauge. Ms A said that her boiler needed to be replaced at a cost of over £3,000 as confirmed by a gas engineer she had called out.

Our investigator didn't recommend that the complaint be upheld. She said it took time for RSA to look into the boiler problem and delays were unavoidable. She said the policy doesn't cover damage from gradual deterioration or from sulphate material and so RSA's decision on the claim was fair, and she said RSA had sent Ms A a copy of the policy in 2021.

Ms A disagreed, saying she had no record of receiving RSA's letters and policy documents in 2021 and no reason to check if the policy had changed over the years. Later she said the letters from RSA were received but didn't contain policy wording. She said there were more than six calls including when the policy term was read to her, but we haven't been provided with this important evidence. Ms A requested an ombudsman review her complaint.

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.

I've looked carefully at the events and decision on Ms A's claim by RSA to see if it has acted in accordance with the terms of the policy and treated her fairly. Ms A has raised a separate complaint to RSA about damage to her boiler which she says was caused by its engineer.

I can appreciate why this wasn't an obvious issue to resolve as the reason for the malfunctioning boiler was difficult to diagnose. However, the engineers decided that it was due to a build up of sulphate, and the claim was declined about 10 days after Ms A's initial call. Ideally this would have been sooner, but I haven't found that RSA caused unavoidable delays in its handling of Ms A's claim.

I can see that RSA reviewed Ms A's claim under the home emergency and home insurance cover within her policy. Ms A is unhappy her claim was declined following the engineers' visit and her calls with RSA. I can understand her frustration as her boiler still wasn't working properly. But I think it needed an engineer's visit to diagnose the fault and Ms A was then told of the reason and how this linked to her insurance policy.

I've considered RSA's decision to decline the claim. Ms A's policy states that damage by gradual deterioration which has caused an installation to reach the end of its serviceable life is not included. And specifically that damage caused by sulphate reacting with any materials isn't covered.

Ms A said that the term relating to sulphate (the cause diagnosed by the engineers) isn't within the copy of the policy that was sent to her. Ms A's copy of the policy is from 2011, and the term is contained within more recent versions of the policy. RSA said it sent Ms A up to date versions of the policy in February and July 2021 and it is available online. Ms A said these communications didn't include policy wording.

It seems curious to believe that a policy from 2011 would still be the same in 2021. Besides which RSA aren't constrained by previous policy terms which change over time but by the policy in force when the claim occurred. This was available to Ms A online and carries the sulphate exclusion.

Notwithstanding Ms A's lack of an up to date copy of the policy, her 2011 copy states there is a policy wide exclusion for damage caused by wear and tear. This is common to all home insurance policies with the intention of distinguishing an insurance policy covering specified perils, with a maintenance contract. The exclusion clause covers damage due to depreciation, repairs necessary in the normal course of maintenance, corrosion, rusting, frost or anything which happens gradually. I've seen that the wear and tear exclusion is described in the documents sent to Ms A in 2021.

I think the wear and tear exclusion throws a blanket over what has happened to Ms A's boiler and what is required to put it right. I also think RSA was entitled to rely on the exclusion clause specific to the build up of sulphate, and this means I consider RSA's decline of Ms A's claim to have been in accordance with the terms of the policy.

We have recordings of six calls between Ms A and RSA from December 2021, but these don't include a call to which Ms A refers where the policy term was read to her word-for-word. However, even if this took place the specific and overarching policy exclusions to which I have referred would preclude RSA from liability for her claim.

The call recordings and the other information about Ms A's claim don't change my view that RSA was acting in accordance with the policy to decline the claim and I have found that its decision has treated Ms A fairly.

My final decision

For the reasons I have given above it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 7 April 2023.

Andrew Fraser
Ombudsman