

## **The complaint**

Mr J complains about the delays caused by Royal & Sun Alliance Insurance Limited (RSA) when he claimed under his home emergency policy for his leaking boiler.

## **What happened**

In summary, Mr J's boiler started leaking so he raised a claim under his home emergency policy, which was underwritten by RSA. He chased up action on his claim and a week after reporting it an engineer attended. Mr J didn't hear anything more from RSA so, after a few weeks, he continued to chase an update.

Two months after the first engineer visit, Mr J's boiler stopped working, leaving him without heating and hot water. He complained to RSA.

RSA arranged another engineer visit, who agreed with the assessment of the first engineer – the boiler was beyond economical repair (BER). However, Mr J said he hadn't been made aware of the first assessment.

Mr J had a new boiler installed and he asked RSA to cover the full replacement cost and refund his policy premium. RSA acknowledged Mr J's complaint, but it didn't make any offer to resolve matters. So, Mr J brought his complaint to us.

Our investigator didn't have a response from RSA to begin with, and based on the evidence available she upheld Mr J's complaint. To put matters right, our investigator said RSA should pay Mr J £300 compensation for the six months delay, and cover the full cost of the replacement boiler.

RSA didn't agree. It provided a report confirming that its first engineer concluded the boiler was BER and that Mr J was told at the time. However, it accepted there'd been delays and agreed to pay the proposed compensation.

On receipt of the new evidence, our investigator decided that RSA should pay a contribution towards the boiler in line with the policy, and pay £400 compensation for the delays.

Mr J didn't agree, so the complaint was passed to me to decide.

## **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've decided to uphold Mr J's complaint. That said, I'm not asking RSA to do any more than our investigator proposed in her second view. I'll explain why.

The facts of the matter aren't in dispute. RSA accepted it didn't handle the claim as well as it should've done, and Mr J was left with a faulty boiler for several months. So, my role is to decide what action is fair and reasonable to put matters right.

When Mr J made his claim, the faulty boiler was 13 years old. RSA didn't cause the fault and its shortfalls in service are limited to its lack of communication with Mr J. So, I'd expect RSA to be addressing those shortfalls.

The engineer report RSA provided shows that it deemed the boiler beyond repair. That doesn't necessarily mean it couldn't be repaired: it just wasn't worth repairing because the cost to do so was higher than the value of the boiler.

RSA's shortfall here was in failing to tell Mr J what his options were. Mr J thought his claim was being handled, whereas RSA knew it wouldn't be fixing the boiler. So, Mr J was left with a faulty boiler unnecessarily for around two months before it stopped working altogether.

In addition to this, Mr J spent time chasing an update from RSA when it should've made him aware it wouldn't be repairing the boiler. I accept that would've caused Mr J inconvenience.

In consideration of the service shortfalls, I think £400 compensation is a fair and reasonable sum to reflect RSA's lack of communication during the whole time Mr J had a faulty boiler.

Mr J asked RSA to refund his premium. The policy provided cover for a number of different home emergencies, not just the boiler. And, although RSA didn't handle the boiler claim well, it did provide a service. I'm satisfied that the policy would need to be in place for Mr J to benefit from it, so I can't reasonably ask RSA to refund the premium.

Leading on from that, the policy provides for a contribution towards the cost of a new boiler in the event it is deemed BER. Mr J's boiler was 13 years old. The policy states that RSA will contribute a sum up to £150 for boilers aged between 11 and 15 years. As his boiler falls within this age bracket, I'm satisfied that RSA should pay him £150 towards his new boiler.

I understand Mr J would like RSA to pay in full for his new boiler. That's in part because he thinks it wouldn't have been necessary to replace the boiler if RSA had completed a repair when he first claimed. There are two issues here:

- The first engineer deemed the boiler BER, so RSA was never going to repair it. I realise Mr J didn't know that, but that's why I'm asking RSA to pay compensation. Therefore, RSA's communication shortfalls and inaction didn't lead to the boiler breaking down completely.
- Secondly, the policy only provides for a maximum of £1,000 per claim. So, RSA wouldn't have paid more than that for Mr J's boiler in any event.

Overall, I'm satisfied that RSA should pay £150 towards the cost of Mr J's boiler in line with the policy terms and conditions, and pay £400 compensation for the avoidable delays and inconvenience RSA caused by not communicating effectively with Mr J throughout his claim. In light of all the evidence, I think that's a fair and reasonable outcome.

### **My final decision**

For the reasons I've given above, my final decision is that I uphold Mr J's complaint and Royal & Sun Alliance Insurance Limited must:

- pay Mr J £150 towards the cost of his new boiler in line with the policy, and
- pay Mr J £400 compensation in recognition of the service shortfalls.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 8 September 2023.

Debra Vaughan  
**Ombudsman**