

## **The complaint**

Mr S and Mrs S complain that Royal & Sun Alliance Insurance Limited have provided poor service when they made a claim for the breakdown of their boiler, and they would like RSA to pay towards the cost of a new boiler.

## **What happened**

Mr S and Mrs S hold an add on home emergency policy with RSA which covers their boiler for failure of hot water but not heating.

On 31 December 2023 Mr S and Mrs S's boiler broke down. They called RSA on 1 January 2024.

An engineer visited on 2 January 2024 and advised that parts were needed and they would schedule a return in 3 days. Mr S and Mrs S heard nothing further and after 10 days they were contacted and told that the boiler was beyond economic repair.

Mr S and Mrs S then had to arrange for a new boiler.

RSA have apologised for the delay in making a decision about the boiler, and offered Mr S and Mrs S £150 compensation, but they were unhappy with this so they brought their complaint to us.

One of our investigators has looked into Mr S and Mrs S's complaint and she thought the offer of compensation was fair.

Mr S and Mrs S disagreed with our investigators view, and so the case has come to me to review.

## **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 considered all the information provided by RSA and Mr S and Mrs S I'm upholding this complaint and directing RSA to pay the offer of compensation that they have already made. I'll explain why.

## **The boiler repair**

Home Emergency cover is automatically included in Mr S and Mrs S's policy with a cover limit of £200. There is optional cover up to £1000 available but this wasn't selected whether policy was purchased – and so the standard terms of the policy apply.

The Home Emergency section of the policy says:

*What is covered*

*We will pay the cost of the repair, parts and call out charges for work undertaken at the address on the schedule by any tradesman authorised by us to carry out temporary or permanent repairs for covers 1 – 4, which if not dealt with immediately upon discovery will make the home unsafe or insecure for you, cause damage to the home or contents or result in the home losing its main source of electricity, lighting or water (hot or cold).*

*If a permanent repair is necessary, the authorised tradesman will carry it out provided the cost of the permanent repair is within the Home Emergency Assistance limit. This cover may not provide the cost of the full repair or replacement”*

It further says

*“The most we will pay for any one claim, including the cost of the repair, parts, call out charges, alternative accommodation and VAT is £200”*

The engineers notes from the visit on 2 January say that the boiler is 12 years old and in a poor state of repair, having never been serviced. He condemned and isolated boiler and said that he wouldn't recommend repairing.

However, following the visit RSA requested that the engineer provide a costing for the repair to establish whether it would be fair to deem the boiler beyond economic repair. There was delay in his reply, but after chasing he advised the repair costs would be £931.05 plus vat. As the policy limit was £200, RSA deemed the boiler beyond economic repair as the costs were too high – and Mr S and Mrs S would have to meet the vast majority themselves.

Mr S and Mrs S have asked for RSA to pay towards the cost of a new boiler. However, there is no provision in the policy terms for payment towards a new boiler if it is beyond economic repair, and I'm satisfied that RSA have complied with their obligations under the policy fairly given the policy limits. They couldn't complete the repair for £200 and had provided a call out and assessment of the boiler within the terms of the policy.

### **Poor Service**

In terms of the service, RSA say that they had difficulty getting the quote from the engineers, which is what delayed their decision - and took them 5 days over their service standards for communicating a decision to Mr S and Mrs S, which is why they have offered £150 compensation.

I can see that they did also offer Mr S and Mrs S temporary heaters and alternative accommodation at the outset, but these were declined by Mr S and Mrs S. As the policy limit for any alternative accommodation was included in the £200, I can understand why Mr S and Mrs S declined this offer, but given that there is no cover for heating in the policy, I think RSA's offer of temporary heaters was a fair attempt to provide additional support to Mr S and Mrs S during the period of cold weather – but this was also declined.

RSA have recognised the 5 day delay in their offer of £150 compensation, and I'm satisfied that this was a fair offer given the short delay in them obtaining the repair quote and communicating the decision to Mr S and Mrs S.

### **Putting things right**

In order to put things right RSA should pay the £150 compensation that it has offered to Mr S and Mrs S

**My final decision**

My final decision is that I'm upholding Mr S and Mrs S's complaint about Royal & Sun Alliance Limited and directing them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 28 October 2024.

Joanne Ward  
**Ombudsman**