

complaint

Mr A's complaint is about the handling of a claim under his home emergency insurance policy with Royal & Sun Alliance Insurance Plc ("RSA").

background

I issued a provisional decision on this matter in October 2019, part of which is set out below:

"On 14 February 2018, Mr A notified RSA that his boiler was not working and he had no heating or hot water. RSA appointed a contractor to attend. RSA says the contractor advised RSA that the boiler was likely to be beyond economic repair, due to its age and general condition. However, it did try to repair it and apparently replaced a pump. Having replaced the pump, RSA says it identified some additional faults. In total, I understand there were three attendances and on the third visit, it said the boiler was beyond economic repair. The policy provides a contribution of £500 towards a new boiler in such circumstances.

Mr A was not happy with this and considered that the boiler could and should have been repaired. He also says he and his young children were left with no heating or hot water for 12 days in very cold weather due to RSA's failure to repair the boiler properly. RSA said that it was entitled to rely on the expert opinion of the contractors but would consider any further evidence Mr A was able to provide. RSA said it would pay the £500 contribution but would not insure the boiler in the future, if Mr A chose not to have it replaced.

RSA did accept that it should have made it clearer to Mr A from the outset that it was unlikely it would be able to repair the boiler. This would've allowed him to make an informed choice about his options. However, it said it tried to repair the boiler in an attempt to assist but ultimately was unable to do so. It says it would not have been reasonable to have condemned the boiler at the initial visit but offered £100 compensation for the time Mr A and his family were without heating and hot water.

Mr A doesn't accept that this is enough to compensate him and his family for the inconvenience caused. He says he called at least 100 times over the period asking for help. Mr A has also said he has had the boiler repaired privately at a cost of £300-350. His engineer replaced the pump (which he bought for £100) and serviced the heat exchanger. He therefore disputes that the boiler was beyond economic repair because it has continued to work since. Mr A has also made a number of other submissions, which I've summarised below:

- *It's not true that the first contractor thought the boiler was beyond economic repair. The first contractor said he would like to change the pump and see if that would be the reason why the water was not heating equally and that someone would turn up the next day or so. The second contractor who came to replace the pump the next day brought the wrong pump but only found this out after having ripped off part of the existing pump and trying to fit the new one. He could not get the pump to start because in this type of boiler the pump only starts once a certain temperature is reached within the tank. (Mr A found this out having read the manual later with his own engineer.)*
- *The second contractor then tried to fit an old, second-hand pump. He tried to fit part of this pump onto the existing one, which caused the pump to leak all over his floors. When Mr A intervened, the contractor who was swearing and angry, changed the*

body of the pump too. However, the leak continued and Mr A had to collect the water in a plate emptying it frequently.

- Mr A was left with a leaking boiler. The second contractor told him that the heat exchanger needed replacing and that he would come back to do that. However, Mr A didn't hear from him again, so he had to call RSA several times.
- It transpires the second contractor tried to defraud RSA by charging it for a new heat exchanger that RSA thought was replaced but wasn't.
- RSA's third contractor then came out and confirmed that the second contractor was a gym instructor with minimal experience; that he should not have touched the pump and in any case, should have removed the whole pump and replaced it with a new one. The third contractor also said that if he had been sent out first, and the second contractor had not touched the boiler, he would have been able to fix it easily.
- He has a video of the third contractor telling him how incompetent the second contractor was and the mistakes he'd made with his boiler.
- He called RSA at least 100 times and every time it kept blaming the customer relations team.
- He reported all this to RSA but it was not prepared to listen as the calls went to their call centres where they could not care less.
- He wants us to listen to all these calls, which will demonstrate that RSA made false promises to get it sorted until it decided to wash its hands of him after keeping him and his family in the dark all that time.
- He told RSA he would get his own engineer, as long as it paid for the repairs but it refused and said it would invalidate his cover if he did so. If it had let him do this sooner, it would have meant he and his family did not have to suffer without heating and hot water for so long.
- RSA can inspect the boiler and the work done (new pump, clean heat exchanger and replacing the damaged valves that were caused by its contractors). The boiler's been working well ever since and is far from the end of its life.
- Had it not been for the second contractor, his boiler would have been repaired sooner and he and his family would not have had to suffer without heating and hot water for so long, in a period of extremely cold weather.

One of our investigators looked into the matter. She did not recommend that it be upheld, as she considered that RSA's offer was reasonable in the circumstances. The investigator thought that RSA made reasonable efforts to try and repair the boiler, rather than to write it off immediately. The investigator also thought there was not enough evidence that its attempts to repair the boiler had caused further damage. Mr A has not been able to provide a report or evidence of the work done by his own contractor. RSA had said it would reconsider if any such evidence was provided.

Mr A does not accept the investigator's assessment, so the matter has been passed to me.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr A's policy provides cover for repairs of the central heating boiler, subject to various terms and conditions, including that:

"the most we will pay for any one emergency is:

- £1,000 inclusive of parts, materials, alternative accommodation, VAT and the tradesman's attendance and callout charge...

If as a result of a claim ... the tradesman decides your boiler is beyond economic repair, we will pay up to £500 towards the cost of your new boiler. “

*“Beyond economic repair
the point at which the tradesman estimates that the cost to repair your boiler exceeds its value.”*

RSA says that it exhausted the claim limit before it concluded the boiler was beyond economic repair but also gave Mr A the £500 benefit towards a new boiler. If a boiler is deemed to be beyond economic repair, this does not necessarily mean that the boiler is not repairable but rather the cost of doing so would exceed its value.

Even if I accepted that it should take this as the cost of a replacement boiler, rather than the value of the existing boiler (i.e. as a second-hand boiler), there's no convincing evidence that the decision to deem it as being beyond economic repair was incorrect. As stated, it had already spent considerable amount on repairs and more repairs were required. Mr A says that some of the repairs were only required because the second contractor caused further damage. However, there is no convincing, independent evidence to support this.

There is no report from Mr A's contractor. While I have no reason to doubt Mr A's word about what he was told and the work he had done, I am unable to effectively disregard what RSA's engineers have said without convincing evidence from another qualified gas engineer.

I have watched the videos that Mr A has provided. One taken by Mr A shows water dripping from the connections of the replacement pump and show this being collected below. There is no dispute that the second contractor didn't repair the boiler but this doesn't establish, on its own, that he caused further damage or that this was avoidable.

The second video is of the third contractor. The video is just under two minutes long and it does not appear to me that the contractor knew he was being filmed and recorded. Mr A can be heard saying that this contractor should have come out the first time round and the contractor responds – in a jovial way – if he'd come out first it'd all be sorted by now “all singing and all dancing”. There is then some discussion about the previous contractor: Mr A says he told him he was the best the company could send him; the third contractor laughs and says that he is the only one directly employed by the company, the others are self-employed.

The video is a little jumpy but I could not hear any clear statement that the boiler was only beyond repair because of something the previous contractors had done wrong. And, as stated, it does appear that the contractor did not know he was being filmed and so (even if any such clear statement were made, which I don't accept) I can't accept that he knew or intended his comments to be used as evidence that the previous contractor caused further issues with the boiler, or that if he had not done what he did the boiler would not have been deemed irreparable.

Having considered all the evidence available to me, I do not consider that RSA has acted unreasonably. It tried to repair Mr A's boiler but was unable to do so. More issues were found and having already reached the policy limit, more repairs were required. I have not

listened to the calls between Mr A and RSA as there is no dispute that it said it would repair the boiler. This is not disputed and so I do not need to investigate that further.

I can appreciate how distressing and inconvenient it would have been to have no heating or hot water for around 12 days, especially with two children in the house. I understand RSA provided heaters but even so, it would have caused inconvenience and the weather was extremely cold at the time. However, RSA was trying to repair the boiler and I have not seen any evidence that there were significant avoidable or unnecessary delays. Although I can see that Mr A did have to chase up what was going to happen next on occasion, which would have been frustrating.

In the absence of any other expert evidence, I therefore consider that it was reasonable and in line with the policy terms to determine that the boiler was beyond economic repair. It made the £500 contribution, knowing that Mr A said he had in fact had the boiler repaired for less. I consider that the balance of that therefore is effectively compensation for Mr A having to call and chase RSA and for it not making clearer, sooner that it might not be able to repair the boiler. Overall I consider this reasonable.

my provisional decision

I don't intend to uphold this complaint."

I invited both parties to respond to my provisional decision with any further information or arguments they want considered.

Mr A's response to my provisional decision

Mr A does not accept my provisional decision. He has made a number of submissions in response, which I've summarised below:

- his boiler was not broken or leaking but it was "*not heating water well or continuously*". All that would have been required to fix this would have been to clean or change the heat exchanger; it would have been a simple repair.
- It was the second engineer and not the third engineer that said the boiler was beyond repair. The third engineer only came out to repair the leak the second engineer had caused by his incompetence.
- The first engineer didn't know what the cause of the fault was but wanted to try changing the pump and then if that didn't work he intended to clean or change the heat exchanger.
- It was the incompetent second engineer that didn't fit the correct pump and did not fit it correctly. It is this engineer that then caused further problems which led to his boiler being considered beyond repair.
- The second engineer had removed the original pump, destroying it in the process. He then realised the new one that had been ordered wasn't the right one. So he then got an old, second-hand pump from his van. He has provided the photo of the box the pump was in to demonstrate that this engineer did not fit a new pump.
- He fitted it badly leaving the boiler leaking and told Mr A he would come back the next day to fit a new pump.
- I've said that RSA spent considerable amount on repairs and that more repairs were necessary but where is the evidence for this? It fitted a second-hand pump and the only work actually required was the cleaning or repair of the heat exchanger.

- I said there is no convincing, independent evidence to support the fact that the second contractor caused the further damage. However, there is evidence, as Mr A says he called RSA to report the leak that the second contractor caused. RSA apologised and sent out the third engineer to stop the leak as a matter of urgency.
- A recording of this call and any call the third engineer made to RSA will prove this as he is sure he would have made RSA know how dangerous the second engineer was for RSA and customers in general.
- All that has to be proved is that there was no leak before the second engineer worked on his boiler. He reported this and that's why the third engineer was sent out – to cap this leak.
- He provided evidence of what the third engineer said in the video - is the third engineer's word not good enough?
- I should also ask RSA if it used the second engineer again, after Mr A reported him.
- The boiler still works properly and it was never beyond economic repair, as it would cost £2-3,000 to replace it.
- He had asked RSA to tell him what parts had been ordered for his boiler and it told him that a new heat exchanger had been ordered and charged to them, by the second engineer. He told RSA that the heat exchanger had not been replaced and it should not therefore pay him for this. He saved RSA hundreds of pounds and this proves the second engineer was fraudulent.

RSA's response to my provisional decision

RSA has confirmed it has nothing further to add.

my findings

I've considered all the available evidence and arguments again to decide what's fair and reasonable in the circumstances of this complaint.

Mr A says his boiler wasn't broken but he did say that he had no heating or hot water since the date he called RSA out. Mr A is also adamant that his boiler could have been repaired easily but for what the second engineer did but there is no expert evidence to support this. He says that his calls to RSA will confirm that there was a new leak after the second engineer left. I do not doubt that but it doesn't prove that the leak was caused solely by something that engineer did wrong. And I've already set out in my provisional decision why I do not consider the video evidence of the third contractor establishes this either.

I did see the photograph of the box from which Mr A says the second engineer produced the correct pump for his boiler. The box is battered and looks old but this does not prove that he damaged the parts of the boiler and fitted this incorrectly, as Mr A has stated.

I've considered everything Mr A has said about the second engineer and the work he had done. I also note that he says it was the second engineer that deemed the boiler as beyond economic repair, rather than the third as I stated. I am sorry if I misunderstood this but I don't think it makes a difference to the outcome. I've also considered what work Mr A says his engineer did and which he says fixed his boiler and has resulted in it continuing to work well for some time. While I have no reason to doubt what he says, there is no convincing evidence that supports what Mr A says.

In the face of evidence from RSA's engineers that they made reasonable attempts to repair the boiler but were unable to do so, I am not persuaded that Mr A has established that RSA

caused additional damage to his boiler, that the repairs it attempted were not reasonable, or that it was not reasonable for it to deem his boiler as beyond economic repair.

Mr A says it would have cost £2-3,000 to replace his boiler. However, the policy defines "*beyond economic repair*" as being when the repair costs exceed its value. This means the value of the existing boiler and not the cost of replacing it.

In addition, as mentioned in my provisional decision, RSA says it had reached the policy claim limit (£1,000) which I have no reason to doubt, and further work was still required. I note what Mr A says about the second engineer trying to charge RSA for a new heat exchanger. RSA accepts that the heat exchanger was not replaced and it will be a matter for it to check what it pays its sub-contractors for work done on its behalf. As far as I can see, the cost of the heat exchanger was not included in the total repair costs set against the policy limit. There was therefore no more cover for any other repairs. However, RSA also paid the £500 replacement boiler contribution.

Overall therefore, I still consider that RSA has not acted unreasonably. It tried to repair Mr A's boiler but was unable to do so and, having already reached the policy limit, more repairs were required. Mr A and his family had no heating or hot water for around 12 days, however, RSA was trying to repair the boiler and I have not seen any evidence that there were significant avoidable or unnecessary delays. Although I can see that Mr A did have to chase up what was happening on occasion.

RSA made the £500 contribution, knowing that Mr A said he had in fact had the boiler repaired for less. I consider that the balance of that therefore is compensation for Mr A having to call and chase RSA and for it not making clearer, sooner that it might not be able to repair the boiler. Overall I still consider this reasonable and I am not persuaded that RSA needs to do any more.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 December 2019. .

Harriet McCarthy
ombudsman