

complaint

Mr and Mrs N complain that Royal & Sun Alliance Insurance Plc (RSA) didn't repair their broken boiler under their home emergency insurance under a breakdown protection policy. They are also unhappy with its service.

background

Mr and Mrs N had home emergency insurance through a bank, the insurer is RSA. They contacted RSA as their boiler broke leaving them with no heating or hot water during winter. RSA refused to repair the boiler under the policy and repairs were delayed meaning they were without heating and hot water for about three months.

Mr and Mrs N complained to RSA. In summary they say: their two children had colds due to the conditions at home, Mrs N has a medical condition which made her particularly susceptible to the cold, she spent about eighteen hours talking to its agents about the problems and waiting for engineers who didn't arrive, the boiler continued to leak while they waited for it to be repaired, RSA poorly handled their complaint. They paid about £200 for boiler parts to be replaced, as they were told there was no policy cover, but the boiler still didn't work properly. They had no faith in the engineer being able to fix the problem and bought a new boiler.

RSA says it wasn't responsible for many of the delays as the repair work wasn't covered by Mr and Mrs N's policy. They couldn't give RSA proof of their boiler's annual service so this meant there was no policy cover. It accepted it had given some poor service and offered compensation of £100. It also paid the £75 Mrs N said she'd paid towards extra electricity and £59.30 as a goodwill payment towards the insurance premiums paid.

RSA also said the contractor it had used initially under the policy had done the work privately when Mr and Mrs N were told there was no policy cover. The contractor had returned the £200 (approximately) Mr and Mrs N paid for the replacement parts and paid compensation of £100. Any dispute about the contractor's private work or service was between the contractor and Mr and Mrs N.

Mr and Mrs N refused RSA's offer and complained to us. They want RSA to pay them the costs they paid for the new boiler (about £5,000) and compensation for all the inconvenience it caused.

The adjudicator explained why he thought the fair outcome would be for RSA to pay compensation of £600.

RSA didn't agree. It said it had correctly not met the claim under the policy terms, there was no evidence of the boiler's annual service. Mr and Mrs N's boiler was very old and needed regular servicing. Had it been serviced within the 12 months before the claim the engineer would have seen the expansion bracket needed replacement and there were other faults.

Mr and Mrs N didn't agree with the adjudicator's recommendation. Mrs N thought the engineer who replaced the boiler's pump caused more problems which meant the boiler had to be replaced. They want RSA to pay for the replacement boiler.

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 and Mrs N also made a complaint about the bank where they got this policy. We've looked at that complaint separately. This decision is about their complaint against RSA. I think a fair and reasonable outcome is for RSA to pay compensation of £600. I'll explain why.

As the adjudicator explained, generally I don't think it's fair for an insurer to turn down a claim just because a consumer can't prove their boiler had an annual service. I'd only think it fair if the insurer can show that the claim wouldn't have happened if there had been an annual service.

Mr and Mrs N told RSA they did have an annual service but didn't have the paperwork. RSA's notes show that when the engineer visited he reported 'Boiler expansion vessel has failed with possible other faults'. RSA has said an annual service would have picked up about the expansion bracket and 'other faults'. But, as I've no information about what exactly caused the boiler to fail, I don't think RSA has provided enough evidence that the claim was caused by a failure to have an annual service.

So it's right for RSA to be responsible for the delays in repairing the boiler and compensation is payable for the upset and inconvenience Mr and Mrs N suffered. I note what RSA says about colds not being connected to lack of heating and it wasn't aware of Mrs N's medical condition. But looking at matters overall, I do think £600 compensation in total reflects the level of distress and inconvenience RSA caused by unfairly rejecting the claim under the policy, the subsequent consequences and its overall handling of the matter.

RSA has made some payment to Mr and Mrs N already. I understand they have refused some or all of the payment. To be clear, the £600 total is for the distress and inconvenience. It's in addition to the £75 for additional electricity and the £59.30 goodwill indirect refund of premium that RSA's agreed to pay.

There's no basis for me to say RSA should pay Mr and Mrs N the cost of the new boiler. There's no cover for that cost under the policy and no evidence that RSA damaged the boiler meaning that a replacement was necessary.

my final decision

I part uphold Mr and Mrs N's complaint.

Royal & Sun Alliance Insurance Plc must pay Mr and Mrs N compensation of £600 in total for their distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs N to accept or reject my decision before 19 September 2016.

Nicola Sisk
ombudsman