

## **complaint**

Ms D complains that Royal & Sun Alliance Insurance plc is responsible for mishandling her home emergency insurance policy.

## **background**

In January 2015 Ms D took out a home emergency policy. It was branded with the name of an insurance intermediary. Until about November 2017 a syndicate of insurers – not RSA - was responsible for dealing with claims.

The policy renewed in February 2018. RSA was the insurer responsible for dealing with claims. Where I refer to RSA I include the insurance intermediary, other companies and individuals insofar as I hold RSA responsible for their actions.

In October 2018 Ms D called RSA for help with a leak or overflow. She complained that – after a few visits – RSA said it wouldn't help her because her problem was with a mains pressure hot water thermal storage system.

RSA reiterated that position in its final response in late January 2019. Ms D brought her complaint to us on 10 February 2019. The policy renewed on 27 February 2019.

### *our investigator's opinion*

On 2 May 2019 our investigator didn't recommend that the complaint should be upheld. She thought that the policy document showed that RSA didn't provide cover for the fault with the thermal storage tank.

On about 5 May 2019, Ms D asked RSA for help with water leaking through her kitchen ceiling. RSA replaced a ball valve. Later it changed a thermostat.

Our investigator changed her view. She recommended that the complaint should be upheld in part. She thought that RSA engineers had misdiagnosed the fault and the repairs could have been carried out in a timelier manner. She said Ms D had been left with a leaking ceiling for over six months and having to make multiple phone calls trying to resolve this matter. The investigator said this situation had left Ms D in a great deal of distress and inconvenience.

The investigator recommended that RSA should:

1. cover the cost of any damages caused to Ms D's property as a result of the leak; and
2. pay Ms D £250.00 in compensation for the avoidable stress and inconvenience this matter has caused her.

### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Ms D and to RSA on 9 January 2020. I summarise my findings:

RSA wasn't responsible for selling the policy in 2015.

RSA's engineer visited Ms D again on about Monday 27 May 2019 and – after it leaked again - said she needed a new tank.

Without contacting RSA again, Ms D took matters into her own hands and acted quickly. She contacted a private plumber. Instead of a new tank, he recommended a new combi boiler and installed it on Friday 31 May.

That was Ms D's choice. It did away with the need for a tank and gave her a new boiler for many years to come. And she hadn't shown that her old boiler was suffering any fault. So I wasn't minded to find it fair to direct RSA to contribute to the cost of Ms D's new combi boiler.

Subject to any further information from Ms D or from RSA, my provisional decision was that I wasn't minded to uphold this complaint. I didn't intend to direct Royal & Sun Alliance Insurance plc to do anything further in response to this complaint.

Ms D disagrees with the provisional decision. She says that it doesn't address her complaint well.

RSA hasn't commented on the provisional decision.

### **my findings**

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

From what she has said and from the policy schedule, I find that Ms D's boiler dated from about 2009. I've noted the model name and number, from which I find that it was a condensing conventional boiler. From RSA's records, I find that it was in Ms D's kitchen.

Her boiler wasn't a combination boiler which would have produced instant hot water to taps without any hot water storage. So Ms D had hot water storage in a tank or cylinder.

From what her friend said in January 2019, Ms D didn't have a traditional hot water cylinder which would discharge under gravity, typically from an upstairs airing cupboard. Rather she had a mains pressure hot water system running at the higher pressure of the water from the (cold) mains.

And she didn't have an unvented mains pressure hot water system. Rather she had a mains pressure hot water thermal storage system. Such systems run at yet higher pressure and higher temperature with a heat transfer to mains pressure water.

RSA wasn't responsible for selling the policy in 2015. It wasn't involved at all until late 2017 or early 2018. So I can't find RSA responsible for mis-selling the policy.

The February 2018 policy schedule said the boiler was eight years old. The policy documents said that the annual boiler service wasn't part of the insurance and wasn't the responsibility of RSA.

The policy terms (November 2017 edition) contained separate sections on the central heating system, the central heating boiler and boiler replacement. It also covered other home emergencies such as plumbing, electrics and drainage.

I consider that the policy was of significant benefit to Ms D. So I don't find it fair and reasonable to direct RSA to make any refund of premiums.

The section on the central heating system said it covered a hot water tank but didn't cover a mains pressure hot water thermal storage system. That section and the section on boiler repair were together subject to a limit of £2,000.00.

The section on boiler replacement provided for boiler replacement (up to a limit of £2,500.00) until the boiler was ten years old on a renewal date.

From what Ms D and RSA have each said, I think the leak in October 2018 was actually a dripping overflow pipe from the thermal storage system to the outside of Ms D's property. I haven't seen any photographs or other evidence of damage to her property.

When Ms D and her friend complained in January 2019 they described the problem as follows:

*"There is a leak in the heating coil which is allowing water from the heating system that is under a greater pressure to leak into the heat transfer section of the thermal store, thus causing the water to rise in the reservoir tank and out through the overflow"*

From that and from RSA's records, I find it more likely than not that by late 2018 there was a leak inside the thermal storage system.

The policy terms for the year from February 2018 didn't cover such a leak. So I don't find that RSA treated Ms D unfairly on its visits in October and December 2018.

The policy renewed in February 2019. The applicable terms were the September 2018 edition. Those terms were similar to the 2017 edition. For example the sections on the central heating system and boiler repair were still subject to a combined limit of £2,000.00.

But the new policy terms no longer excluded thermal storage systems. I don't consider that RSA had to proactively tell Ms D of that change in her favour.

But when she reported a leak through a ceiling in early May 2019, RSA didn't decline to work on the thermal store. It replaced the ball valve and for a few days Ms D thought the issue was resolved. But the leak recurred on about 14 May. And RSA changed the thermostat.

I accept that it is likely that Ms D had wasted some gas on heated water through the overflow. And I don't doubt that she had suffered some inconvenience. But I consider that up to about 21 May 2019, RSA had acted in line with the policy terms. So I don't find that it had treated her unfairly. And I'm not minded to direct compensation for what had happened.

In any event there's not enough detail of damage to Ms D's property, loss of earnings or other financial loss. So I don't find it fair to direct RSA to pay compensation for that.

But on 21 May Ms D told us the leak was still not resolved. And I'm minded to accept her statement that RSA's engineer visited again on about Monday 27 May and – after it leaked again - said she needed a new tank.

Without contacting RSA again, Ms D took matters into her own hands and acted quickly. She contacted a private plumber. Instead of a new tank, he recommended a new combi boiler and installed it on Friday 31 May.

That was Ms D's choice. It did away with the need for a tank and gave her a new boiler for many years to come. And she hasn't shown that her old boiler was suffering any fault. So I don't find it fair to direct RSA to contribute to the cost of Ms D's new combi boiler.

And overall I don't find it fair and reasonable to direct RSA to do anything further in response to this complaint.

**my final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Royal & Sun Alliance Insurance plc to do anything further in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 29 February 2020.

Christopher Gilbert  
**ombudsman**