

complaint

Mr B complains because Royal & Sun Alliance Insurance Plc ('RSA') hasn't paid a contribution towards the cost of a new boiler.

background

Mr B holds a home emergency insurance policy, underwritten by RSA.

In October 2015, Mr B's boiler broke down. Mr B says the boiler was 25 years old at this point.

RSA sent out an engineer, who said the boiler needed a spark generator which wasn't made anymore. So, RSA said the boiler was beyond economic repair. RSA said if Mr B could provide proof that his boiler had been serviced he'd be entitled to a £500 contribution towards the cost of a new boiler.

Mr B had his old boiler repaired by a private engineer, and then replaced the boiler in October 2016.

In 2018, Mr B asked RSA for a contribution towards the new boiler. RSA said it wouldn't pay this because Mr B couldn't demonstrate that his old boiler had been serviced in the 24 months before his claim.

Unhappy, Mr B brought a complaint to us.

Our investigator looked into the complaint, but didn't recommend that RSA should do anything more. Mr B didn't accept our investigator's opinion.

I sent my provisional decision about Mr B's complaint in January 2019. In it, I said:

"The terms and conditions of Mr B's policy with RSA say;

*'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.'*

But the policy also says;

'What is not covered

*Any failure of the **main heating system** where it has not been properly maintained and serviced by a registered **tradesman**, providing certification or other proof of service within the last 24 months'.*

Mr B says he had his old boiler serviced every year by the same engineer, but he can't find the service records and he lost contact with the engineer in 2014. RSA says Mr B was aware in 2015 that he'd need service documentation but Mr B told it he'd thrown the paperwork away. But I don't think the question of whether Mr B did or didn't have his old boiler serviced is what's relevant.

We don't generally think it's fair for an insurer to turn down a claim because a policyholder hasn't had their boiler serviced - unless the insurer can show it's likely the lack of servicing

was material to the claim. So, even if Mr B didn't have his old boiler serviced, I think RSA would need to show it's likely the boiler wouldn't have broken down if it had been serviced as it should've been. If RSA could demonstrate this, then I don't think Mr B would be entitled to any payment under his policy.

RSA hasn't provided any evidence about whether a failure to service the boiler led to Mr B's claim. However, there is another factor which I think needs to be considered here.

I understand Mr B says he didn't try to claim the beyond economic repair contribution before 2018 because he was unwell. But because of the length of time that has passed since Mr B's old boiler broke down – and because Mr B has had the old boiler replaced – RSA has lost the opportunity to investigate further. So, I don't think RSA should have to pay Mr B the full £500 contribution.

Instead, I think it would be fair and reasonable for RSA to pay Mr B half of this amount.”

So, my provisional decision was that I upheld Mr B's complaint in part.

RSA didn't accept my provisional decision. Mr B didn't respond.

my findings

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

I've thought about the comments RSA has made in response to my provisional decision. I understand Mr B chose to repair the boiler in October 2015 – and then replaced it a year later. But the boiler had already been deemed to be beyond economic repair by RSA in 2015 as the spark generator was no longer being made, so I don't see how that position would've changed a year later. And I don't think the fact that Mr B was able to have the old boiler temporarily repaired affects his ability to claim a beyond economic repair contribution under the policy. Mr B has evidenced that he did in fact replace the boiler, at a point in time when he says he was financially in a position to do so.

Mr B had the boiler replaced by a third party in 2016 – but the beyond economic repair contribution set out in the policy isn't dependent on the boiler being replaced by RSA.

I think it's clear Mr B was aware of the policy requirements about boiler servicing. But while Mr B can't demonstrate his old boiler was regularly serviced, RSA also can't demonstrate that any failure to have the boiler serviced led to the breakdown in October 2015.

I accept that Mr B has prejudiced RSA's position here – which is why I think a payment of half of the beyond economic repair contribution, and not payment of the full amount, is the fair and reasonable outcome in the circumstances.

my final decision

My final decision is that I uphold Mr B's complaint in part.

Royal & Sun Alliance Insurance Plc should pay Mr B a contribution of £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 March 2019.

Leah Nagle
ombudsman