

The complaint

Miss L is unhappy with the way Royal & Sun Alliance Insurance Limited (RSA) handled her claim. She had home emergency insurance underwritten by RSA, and complained that she was left without heating and hot water after it tried to repair her boiler.

What happened

Miss L claimed under her home emergency policy when she realised her boiler had a small leak. She complained to RSA two weeks after its first repair visit. At that time Miss L also made RSA aware of her household's vulnerability.

Miss L was without heating and hot water, and over the following months she complained that RSA:

- drained her heating system;
- failed to repair the boiler;
- didn't communicate with her properly throughout;
- missed appointments;
- damaged her boiler, and
- said it was beyond economical repair (BER).

RSA accepted it'd made mistakes and offered Miss L £1,500 compensation for the inconvenience and stress caused by its delays, as well as to cover the additional costs incurred for alternative heating sources. RSA also confirmed it would contribute £150 towards a replacement boiler.

Miss L wasn't happy with RSA's offer, so she brought the complaint to us.

Our investigator thought RSA had made a reasonable offer in respect of the boiler contribution and compensation, but she didn't think it'd done enough to address the cost of additional heating sources. Our investigator thought RSA should pay Miss L the cost incurred over and above that which she would've paid had her boiler worked.

Neither Miss L nor RSA agreed.

I issued a provisional decision in September 2023 explaining that I was intending to not uphold Miss L's complaint. Here's what I said:

provisional findings

Replacement boiler contribution

After its repair attempts, RSA said Miss L's boiler was BER. It offered her £150 towards a replacement boiler. I've looked at the policy which sets out what RSA should pay in the circumstances. It says:

In the event your domestic boiler is declared beyond economical repair, we will make a contribution of up to £500 towards replacing it, depending on the age of your boiler

Miss L's boiler was 13 years old. The policy provided for a contribution of £150 for boilers aged between 11 and 15 years. Therefore, I'm satisfied that RSA's offer was in line with the policy.

While the contribution was in line with the policy, I've thought about whether it was fair in the circumstances. Miss L said RSA damaged her boiler during repairs and she provided independent reports in support of her claim.

Looking at RSA's record of contact with Miss L, I see it asked her to provide evidence of the damage she believed its contractors caused so it could look into it. The records show that Miss L refused, preferring to bring the evidence to this service.

I've looked at the two reports Miss L provided for our consideration and summarised them here:

13 February report

This report, prepared by the engineer to whom Miss L first reported the leak, said the boiler was leaking but working in September. In January it was turned off and not working, but the engineer didn't do any work on it because he didn't know what had already been done. I've also noted that this engineer didn't work on it in September either, because Miss L said repairs would be covered under her insurance.

18 February report

The engineer reported that he turned the boiler on, but immediately drained it again because it started leaking. He said it would need to be fixed before he could check it any more thoroughly. The engineer confirmed the pressure gauge was damaged.

I've thought carefully about these reports, but I can't say that they provide evidence to support Miss L's claim that RSA damaged her boiler. Both reports include a record of what Miss L told the engineers, but neither engineer commented on whether it was likely that RSA caused additional damage.

It's also important to point out that because neither engineer worked on the boiler, it's not possible to determine whether they would've been able to fix it, or whether further problems would've become apparent as they appear to have done for RSA.

Overall, I don't think these reports evidence that RSA caused damage to Miss L's boiler. Therefore, I see no reason to ask RSA to contribute any more to a replacement boiler than the £150 it has already offered in line with the policy.

Compensation

There's no dispute that RSA made mistakes handling Miss L's claim. Miss L thinks RSA should pay her around £5,000 to compensate for the issues of her complaint. RSA offered £1,500 compensation which it believed was, "proportionate and reasonable recompense for the inconvenience and stress caused by the delays that were experienced, as well as to cover the additional costs incurred for alternative heating sources".

RSA was aware of the vulnerabilities within Miss L's household, and that she was without heating and hot water during the winter months. It was also aware that she had an alternative heating source in at least one room of the house. So I've thought about the mistakes RSA made which would've caused Miss L distress and inconvenience above and beyond that which might be expected for a faulty boiler.

I've noted that on occasion Miss L declined appointment slots because she was otherwise busy. And she didn't answer RSA's calls every time. However, the evidence clearly shows that the majority of the delay was caused by RSA and its agents. So, from the date Miss L reported the boiler fault to the date it was deemed BER, I think it's reasonable to say RSA caused delays equivalent to around three months.

I don't think RSA is responsible for anything more than three months. That's because Miss L's policy didn't provide for a replacement boiler once hers was deemed BER, and RSA made her aware that she'd need to make her own arrangements. I see RSA also told Miss L that she was likely entitled to a grant to cover the cost. Regardless of whether Miss L needed to pay or whether she was entitled to a grant, I'm satisfied that RSA wasn't responsible for the distress and inconvenience caused by the loss of heating and hot water once it confirmed the boiler was BER.

Therefore, on consideration of the compensation offer RSA made, I think it's a fair sum to address the avoidable delays of around three months, caused by its failure to handle Miss L's claim and communications as well as she could reasonably have expected.

Additional heating cost

The final point I'll address is the cost of the additional fuel Miss L bought to use her alternative heating source, and the cost of electricity above that which she'd normally use. Miss L thinks RSA should pay the additional costs, but RSA disagrees.

I've looked at the policy which states:

We will assist you and pay for the call out, labour and parts and materials involved in repairing or rectifying leaks within, or the breakdown of your domestic boiler and/or central heating system at your home.

We will pay up to £50 towards the cost of purchase or hire by the insured person (upon production of an original receipt for payment) of alternative heating sources where these are deemed necessary in the event that the primary heating system has failed completely and it is not possible to reinstate the heating.

So, if Miss L bought electric heaters for several rooms, RSA would've given her up to £50 once it had evidence of the purchase. Miss L already had an alternative heat source in one room, and she chose to buy fuel to keep that room warm. Because of this, she wants RSA to pay for all the fuel and the extra electricity used, noting in particular the pans of water she heated on her electric hob to get hot water for bathing.

While I agree that RSA should've paid towards the alternative heating in line with the policy, I don't think it's fair to ask RSA to pay more than it has already offered. That's because its £1,500 compensation offer was made in recognition of the additional heating costs, and that's stated in its letter to Miss L. I also note that it wasn't seeking evidence of those costs before making the offer.

For completeness, I've looked at the energy bills Miss L provided for the period October to March for the year she was without heating, and for the corresponding period the year before. When comparing the bills, the key factor is not the cost, but the amount of energy used. When Miss L was without heating, she used a little over 5 kWh of electricity per day. The year before, when she had heating and hot water, Miss L used just under 8 kWh of electricity per day. So, the evidence indicates that Miss L's electricity usage didn't increase compared to the previous year. In terms of the single heating source fuel, some of the cost will be balanced out by the fact that Miss L was not paying for gas.

In light of this evidence, I don't think RSA needs to pay Miss L any more towards her alternative heating than it has already offered.

In summary, RSA made mistakes handling Miss L's claim which caused her significant inconvenience and distress, and which could've been avoided. But I don't think RSA is responsible for anything after the point at which it declared the boiler beyond economical repair. RSA made an offer to contribute towards a replacement boiler in line with the policy, and it offered £1,500 compensation for the effect its mistakes had on Miss L and for the alternative heating costs.

I think RSA's offer was fair and reasonable in the circumstances, so I'm not minded to ask it to do any more.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

RSA accepted my findings.

Miss L didn't agree. She said she was without heating and hot water from September, and she didn't refuse to provide evidence to RSA. Miss L explained again that she sent the two engineer reports and fuel receipts to RSA *after* its compensation offer. Therefore, Miss L doesn't agree that its offer takes into consideration everything that had happened.

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 Miss L's comments and the evidence again, my final decision is that I don't uphold her complaint.

I understand Miss L was without heating and hot water from September. But RSA is only responsible for the cover available to her under the policy. Miss L's policy was for home emergencies, and the evidence shows that RSA fulfilled its responsibilities. At the point RSA deemed the boiler beyond economical repair, and offered a contribution towards the replacement cost, its liability ended. It then became Miss L's responsibility to arrange for a replacement boiler. So I can't reasonably hold RSA responsible for the full period Miss L was without heating and hot water.

In my provisional decision, I said the records showed that Miss L refused to send RSA evidence that its contractors damaged her boiler. Miss L provided evidence that she sent the engineer reports to RSA. My comments referred to the records RSA provided, which appear to be accurate for that time. The note was recorded in early February, and I see Miss L sent the evidence later in March.

I'd like to reassure Miss L that I took the evidence into consideration regardless of whether she first provided it to RSA. But as I said, the two engineer reports only provide a record of what Miss L told the engineers. Neither state, or even suggest, that RSA damaged the boiler or that it could've been repaired.

Miss L says she provided the engineer reports and the evidence of her alternative fuel costs after RSA's compensation offer. So she thinks the offer can't fairly reflect the overall circumstances because RSA said it would consider her further evidence. I understand the point she's making. However, whether or not RSA had the evidence before its offer, I wouldn't have expected it to offer more than it did. That's because the additional evidence doesn't demonstrate any further liability on RSA's part. I'm satisfied that the compensation more than reasonably addressed the service shortfalls, and I've explained in my provisional decision that the policy only provided for £50 towards additional fuel sources.

Overall, I don't find that Miss L's further comments warrant any change to my provisional decision.

My final decision

For the reasons I've explained above, and in my provisional decision, my final decision is that I don't uphold Miss L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 6 November 2023.

Debra Vaughan
Ombudsman