

The complaint

X and X complain that Royal and Sun Alliance Insurance Limited (RSA) declined to carry out further repairs, following a claim under their home emergency policy.

What happened

X and X held a home emergency policy with RSA, they made a claim following an escape of water at their home. At the time of registering the claim X and X said that they found it difficult to get through on the phone, and were met with a recorded message, that explained that as the phonelines were overwhelmed with calls, customers were permitted to organize an engineer to assist with the home emergency. The recorded message also said that RSA would reimburse customers their expenses for this.

X and X located an independent engineer who carried out a temporary repair, thereby stopping the leak, this cost X and X £166.80. But X and X said that as a result of the leak, further damage was caused to their property. They obtained some quotes for the repair of the damage caused. And asked RSA to cover the cost.

RSA declined to cover the cost as it relied upon the policy terms and conditions, that said that it would only be liable for the cost of stopping the leak, as this was the home emergency. It asked X and X for the invoice that showed that they had paid for the independent engineer. RSA said that X and X hadn't submitted the invoice, just a quote which it was unable to settle. And said that X and X ought to claim on their home insurance policy for the additional damage.

X and X were unhappy that RSA declined to cover the additional damage and raised a complaint. RSA gave X and X their referral rights and X and X referred their complaint to our service. One of our investigators considered the complaint and didn't uphold it. She said that RSA ought to have settled the costs of X and X's independent engineer. She said that there was no obligation for RSA to pay for the additional damage.

RSA said that it hadn't refused to settle X and X's engineer's invoice, it was waiting for them to submit the invoice, which they hadn't done. X and X didn't agree with the view and reiterated the poor service (in terms of trying to register the claim) as well as the failure of RSA to pay for the additional damage caused to their home. So, they asked for a decision from an ombudsman.

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 done so, I won't uphold this complaint. I understand that this is likely to be a disappointment to X and X, but I hope my findings explain why I think this is fair.

I've considered the comments and evidence from both parties. And I think the main issue of this complaint, is whether it was fair for RSA to decline to cover the cost of the additional damage caused, following the escape of water. So, I'll concentrate my provisional findings on this.

I have reviewed the policy terms and conditions, to see what RSA's obligations were. The policy states, under the home emergency definitions section, under assistance: *'The reasonable efforts made by the approved engineer during a visit to the home to complete a temporary repair to limit or prevent damage or if at a similar expense the cost of completing a permanent repair in respect of the cover provided.'*

I've had a thought about what this means. And I think the emergency is limited to a temporary repair. That repair should limit or prevent further damage. A permanent repair will only take place, if it has a similar cost to a temporary repair. Looking at X and X's policy, the limit on home emergencies was £1,000.

X and X said that the independent engineer who attended carried out a temporary repair, this resulted in the water being stopped and a pipe being disconnected. I'm satisfied that the leak at that stage (especially as the water had been stopped) had ended. And that X and X's engineer had carried out a temporary repair.

Having reviewed the terms and conditions, RSA's obligation was for a temporary repair to be completed. Consequently, I'm satisfied that under the policy, RSA was obligated to pay for the temporary repair, which means X and X's independent engineers fee of £166.80.

I haven't seen any evidence that RSA had refused to settle the invoice. What I have read is that X and X have yet to submit an invoice to RSA, that shows that they paid £166.80 to their engineer. Accordingly, I think that X and X ought to submit a paid invoice for the £166.80 to RSA, as RSA said it will settle that invoice, once it has received it.

X and X have provided a few quotations for the repairs to the additional damage caused to their home. I note that all of the quotes are above the policy limit of £1,000. In any event, they will be deemed as permanent repairs. Which under the policy terms and conditions are not covered. Not only because they exceed the policy limit, but also because they are permanent repairs. Consequently, I'm not persuaded that RSA were unreasonable not to agree to pay for those costs. And I do agree that X and X ought to make a claim under their home insurance policy, if they have one.

X and X said that they experienced difficulty in registering the claim due to RSA being overwhelmed with calls. Whilst I understand and sympathise with the difficulty that X and X encountered, having reviewed the policy terms and conditions. I can see that one of the options available when policyholders make claims, is that there is a choice to use a contractor of their own.

RSA due to the volume of calls, gave this as an option. Which X and X took. Although I understand X and X's frustration, I can't agree that RSA were unreasonable to offer this as an option, as this was permitted under the policy. Further, I'm happy to see that the emergency was resolved within a short period of time.

Taking all of the evidence into consideration, I'm not satisfied that RSA were unreasonable not to agree to pay for the damage caused by the leak. I'm therefore not going to tell it to do anything further here.

My final decision

For the reasons given, I won't uphold X and X's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X and X to accept or reject my decision before 20 October 2023.

Ayisha Savage
Ombudsman