

The complaint

Ms O complains about Royal & Sun Alliance Insurance Limited's ("RSA") decision to decline her claim under her home emergency insurance.

What happened

Ms O says her heating and hot water stopped working so she called RSA to claim under her policy. Ms O says RSA said this wasn't covered as her boiler is still under warranty. Ms O complained as she felt it was unfair she'd been paying for a policy which then didn't cover her in an emergency. She also felt it was unreasonable for RSA to assume it was a problem with the boiler without actually sending an engineer out to investigate the problem. Ms O asked RSA to refund the premiums she'd paid. RSA responded and explained, based on Ms O reporting there to have been a complete loss of heating and hot water, this is always due to the boiler. They explained, as Ms O's boiler is still under warranty, they relied on the policy terms and conditions to refer her to the manufacturer.

Our investigator looked into things for Ms O. He thought RSA hadn't acted unfairly in declining the claim on the basis of the policy terms and conditions. Ms O disagreed so the matter has come to me for a decision.

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've decided not to uphold the complaint. I understand Ms O will be disappointed by this but I'll explain why I have made this decision.

My starting point is Ms O's home emergency insurance policy booklet. This sets out the terms and conditions and, under a section headed 'General Exclusions' it says, "*We do not cover any parts which are covered by another insurance policy or manufacturer's warranty. We will direct you to the installer or manufacturer for a solution in the first instance to prevent voiding of any guarantee/warranty.*" So, I don't think it's unreasonable for RSA to rely on the policy terms and conditions to decline a claim where they're of the opinion it relates to a part which is already covered through another policy or warranty.

In this case, there's no dispute that Ms O's boiler was still under warranty. So, I don't think it's unfair for RSA to decline the claim where they're satisfied the issue relates to the boiler. But I can see Ms O is concerned that RSA have determined the issue relates to the boiler without sending an engineer to investigate the fault.

So, Ms O questions what she's paying for when, in the event of a breakdown, RSA refuse to come out to investigate the issue. Ms O feels the issue may just be a blockage or an air bubble, so RSA should at least come out to assess the issue and try to fix the problem. And if it does turn out to be a problem which requires parts then they can refer her to the boiler manufacturer.

I do acknowledge Ms O's points and I understand why this has led her to question what benefit she's getting from a policy where the insurer doesn't appoint an engineer to investigate a problem in the event of a breakdown. I think it's important here to make clear our service doesn't have the power to direct a business to change their processes. RSA say, based on Ms O's description of the problem, it was their claims team's professional opinion that this is always due to the boiler and no other associated areas such as the radiators or thermostat. It appears RSA have carried out a desk-based assessment here. This appears to be RSA's process, so the first point I would make is that we can't direct RSA to change this process.

That said, I have still gone on to consider whether Ms O has been treated fairly in RSA adopting this process to deal with her claim. The policy terms and conditions set out the claims process, and the first stage of this involves a customer contacting the Claims Helpline Service. Under a section headed 'Important Information' it says, "*If we accept your claim, the Claims Helpline Service will source a suitable engineer to attend your home and endeavour to resolve the issue.*" This suggests the claims team carry out an initial assessment to determine whether a customer's call relates to a claim which can be accepted in line with the terms and conditions of the policy. And that's what has happened here. The claims team will source an engineer but only if the claim is first accepted.

I acknowledge Ms O's point that the issue could relate to something other than the boiler, but RSA say the claims team have applied their judgement based on the information provided by Ms O. I think it's also important here to refer back to the term within the general exclusions as this says RSA will refer a customer back to the manufacturer for "*...a solution in the first instance to prevent voiding of any guarantee/warranty*" So I understand why RSA will be cautious about carrying out any investigation into a boiler given the consequences of voiding a customer's warranty – and that's why they referred Ms O to her warranty cover in the first instance. I would also make the point that I haven't seen any evidence that the issue didn't relate to the boiler.

I understand Ms O questions what she's actually paying for if, during the time her boiler is under warranty, RSA won't visit her home to investigate a boiler issue. I acknowledge why Ms O is concerned by this, but I can't say the policy has no benefit for Ms O. The policy booklet sets out a range of home emergency events which Ms O is covered for, and while this does include a domestic boiler, it also includes cover for plumbing and drainage, internal electricity and gas supply. I acknowledge Ms O may not have had cause to claim for these areas of cover, but the policy does provide cover for these.

My final decision

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 18 August 2023.

Paviter Dhaddy
Ombudsman