

The complaint

Mr K complains about the way Royal & Sun Alliance Insurance Limited (“RSA”) handled a claim made under his landlord home insurance policy.

What happened

Mr K held a Simple Landlord Home Emergency Insurance policy with RSA. He made a claim under the policy in December 2023 after reporting a loss of hot water. RSA sent its contractors to attend and they found that the tap stat was stuck. This was then fixed and there continued to be a hot water supply at the property.

However, on the same day, it was reported that the heating had stopped working since the engineer’s visit. The engineer was asked to reattend but during that time, it was found that the claim had been incorrectly accepted, as there were other means of bathing at the property, namely an electric shower.

Nonetheless, a quote was given for the heating repair – and because the amount needed was above the policy limit, Mr K was asked to pay the difference. Additional costs were added once the engineers received the quote, as they said further works would be needed. The boiler ended up being deemed uneconomical to repair because of the costs involved, which totalled over £1000.

Mr K said RSA provided inconsistent advice and there were avoidable delays in dealing with the claim. He also said he can’t understand how the costs amounted to over £1000 when the boiler had an annual service and annual safety check. And he didn’t agree that the boiler needed replacing as he understood this to be a wiring issue.

So he complained to RSA. In its response, RSA told Mr K that it would partially uphold his complaint because it accepted there were some problems with the claim journey. It offered Mr K £200 for the distress and inconvenience caused. It also paid a £45 allowance for alternative heating, though there was a delay in it issuing this payment.

Mr K didn’t accept RSA’s offer as a resolution to his complaint. He said the PCB had been burnt by the plumber who attended – which had not happened the last ten times the boiler had been switched off as part of annual gas safety checks. So Mr K referred his complaint to this service.

Our Investigator considered everything but didn’t think the complaint should be upheld. She said that it wasn’t always possible to diagnose a fault or resolve a problem in one visit, and as the claim was made under a home emergency policy, which only covered emergencies, RSA hadn’t acted unreasonably.

Mr K didn’t agree with our Investigator’s assessment, so the complaint has now come to me to decide.

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 this complaint. I'll explain why.

Mr K's landlord policy covers home emergencies only, so the terms and conditions contain various restrictions to the cover that's provided. For example, the claim limit is £500 for call-outs, labour, parts and materials – so any repairs which cost over that amount would only be covered up to the policy limit and the consumer would need to pay for the rest. It follows that I don't consider it unfair for RSA to have requested Mr K pay the additional amount which exceeded the policy limit.

I appreciate Mr K has said he doesn't agree that the repairs cost over £1000, so I've looked closely at what happened and what the evidence shows. Mr K believes there was never an issue with the PCB previously, until the contractor caused the problem. But due to the various roles that a PCB fulfils in relation to a boiler, RSA has said it's common for problems to be misdiagnosed and for costs to then escalate.

Whilst I accept that this must be incredibly frustrating for customers, I agree with RSA that it's not always going to be immediately apparent why there is an issue with hot water or heating. So when an engineer attends a property, they might consider that one part needs replacing but ultimately need to make repeated visits if the problem highlights that other work is also required.

Mr K suggests that the wiring was an issue, and that he only spent £200 to get it sorted in the end, which was a lot less than he was quoted by RSA. However I haven't seen any evidence to support Mr K's position that the wiring was the sole issue which caused the problems. And because PCBs can become damaged for various reasons and I don't have enough evidence to say it was the plumber's fault, I'm afraid I can't agree that the contractor was negligent or that the boiler shouldn't have been deemed uneconomical to repair.

Mr K's policy doesn't cover a replacement boiler but it does say RSA will make a contribution towards the costs of a new one. It also says RSA will contribute towards alternative heating measures in some circumstances up to £50. So I'm satisfied RSA acted fairly when it offered £45 towards this – which it was obliged to do under the terms of the policy.

RSA also offered Mr K £200 for distress and inconvenience. Considering the claim journey Mr K had, I think this is a reasonable amount of compensation for the delays and mistakes that were made. I say this because Mr K experienced more than the everyday inconveniences one might expect when dealing with a claim of this nature, and there was a period of two weeks between the date the claim was submitted to RSA, and the date Mr K was told the boiler was uneconomical to repair. So, all in all, for the time it took to reach a conclusion – although this was a conclusion Mr K was unhappy with – and the errors in initially misquoting the cost to Mr K, I think RSA has done enough to put things right.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 27 September 2024.

Ifrah Malik
Ombudsman