

The complaint

Mr B complains that UK Insurance Limited (“UKI”) won’t pay him the sum it promised him when he made a claim under the home emergency section of his home insurance policy.

What happened

In November 2018, Mr B’s central heating boiler developed a fault. He called on the engineer who normally maintained his boiler. The engineer thought the fault was due to a faulty fan and fitted a replacement. However, the boiler continued to exhibit the same fault.

The engineer returned a few days later and fitted a replacement pump. Initially, this seemed to cure the fault, but a few days later the boiler failed again. The engineer returned and flushed the system and fitted a replacement main board. However this didn’t cure the fault. So the engineer advised that the boiler was beyond economic repair (‘BER’) and should be replaced.

At this point Mr B recalled that his UKI home insurance policy contained a section covering home emergencies such as the failure of his central heating system. The bills for the work his engineer had carried out amounted to £1,225. So in December 2018 he asked UKI to reimburse this amount under his policy.

The UKI representative he spoke to on the phone said that, after speaking to a manager, he would process a payment of £750 in respect of the repair work, and a further £250 towards the cost of a new boiler as his previous one had been declared BER. Mr B thought he was owed more under his policy but reluctantly agreed to accept this payment.

In February 2019 Mr B received a letter from UKI with a cheque for £750. When he asked about the further £250 he had been promised, UKI initially said there was no trace of its agreeing to this in their records. UKI then acknowledged, after listening to the phone call, that its representative had said the limit on Mr B’s policy was £1,000, and this was what Mr B would receive.

UKI said this was a mistake by its representative. The limit under his policy for a home emergency claim such as this was £750. It apologised for misleading Mr B, but said it wouldn’t pay more than this.

Mr B complained to us. He said that UKI should pay him the amount it had promised - £1,000 altogether. Alternatively, he said that the repairs amounted to two separate call outs. The limit under his policy was £500 per call out. So he was entitled to £500 for each call out, plus £250 for his boiler being BER.

Our investigator didn't recommend that this complaint should be upheld. She said that while Mr B had more than one call out at his home, they all related to the same issue and resulted in the boiler being declared BER. So UKI had acted correctly in refunding him £500 for the call outs he had.

He was also entitled to a further £250 to cover the boiler being BER. So the investigator thought the £750 Mr B received was the correct payment under the policy for what had happened.

The investigator acknowledged Mr B had been given wrong information by UKI's representative. However she couldn't reasonably ask UKI to pay more, as this would mean Mr B receiving more than he was entitled to under the policy.

Mr B responded to say, in summary, that while he accepted that UKI had paid him what was due under the policy, his complaint was that it had promised him £1,000 in the phone call, and then had gone back on this. He thought UKI should honour what it had promised him.

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.

The relevant provisions of Mr B's policy are as follows:

"If there is an emergency in your home, when you call us:

- *we will tell you what you can do in order to protect yourself and your home*
- *we will send an authorised repairer to your home*
- *we will pay up to £500 (including VAT) for each emergency assistance call out to cover the cost of:*
 - *the call out*
 - *labour at your home*
 - *parts."*

"We will pay for emergency assistance needed if the main source of heating in your home fails.

If we find out your boiler is beyond economic repair, we will pay £250 towards the cost of a new one."

"We won't pay for:

- *the cost of work carried out by anyone except the authorised repairer we have sent...."*

Although the policy wording said UKI wouldn't pay for work that its authorised repairer hadn't carried out, it accepted in this case that Mr B had used a properly qualified engineer and the

boiler had been regularly maintained. So it said it would deal with his claim. I think UKI acted reasonably in agreeing to do so.

Like the investigator, I think the circumstances of this claim meant that all the visits Mr B's engineer made related to the same issue. So UKI acted reasonably in treating them all as one call out. I think UKI is correct to say the limit under the policy in respect of this call out is £500, and Mr B is entitled to a further £250 because the boiler was declared BER. So I agree that under the policy Mr B is due £750, which is what he has received.

Mr B says that because UKI mistakenly promised him £1,000 rather than £750, it should be held to this promise, and should have to pay him a further £250. I don't agree.

UKI made a mistake, for which it has apologised. But Mr B hasn't lost out because of this mistake, apart from not receiving the extra money. So far as I'm aware, he didn't change his position, or incur any extra expense, in reliance on the promise. So I don't think it would be reasonable to require UKI to pay him more than he is entitled to under the policy.

My final decision

My decision is that I don't uphold this complaint, and make no order against UK Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 2 January 2020.

Lennox Towers
Ombudsman