

The complaint

Mrs S complains that U K Insurance Limited (“UKI”) is responsible for poor service in connection with a home emergency insurance policy.

What happened

The Financial Ombudsman Service deals with consumer complaints against one insurance company or other regulated financial firm at a time.

Where a complaint is about a claim under an insurance policy we treat it as a complaint against the insurance company that was responsible for dealing with that claim. In our final decision we name that insurance company but we don’t name any other party.

Mrs S had a bank account that gave her benefits including home emergency cover. The insurance company responsible for dealing with claims was UKI.

Where I refer to UKI I include its home emergency contractor and others insofar as I hold UKI responsible for their actions.

In June 2019 Mrs S called for help with her central heating boiler. UKI visited and – after Mrs S complained about delay and lack of communication – it replaced a pump on 20 June 2019. UKI sent a final response letter dated 28 June offering £40.00.

Mrs S complained that UKI left her and her husband without a working boiler.

UKI sent a final response dated 25 July 2019. It said it had waived a charge of about £148.00 for fixing the immersion heater. There was some further correspondence before Mrs S brought her complaint to us later in 2019.

Our investigator didn’t recommend that the complaint should be upheld. He thought that UKI’s offer was fair for the circumstances.

Mrs S disagreed with the investigator’s opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- UKI replaced a pump that was not faulty.
- UKI wrongly said an expensive power flush was necessary before a new heat exchanger would make the system work. It could and should have replaced the heat exchanger.
- The boiler did not work between 7 June 2019 and 12 December 2019.
- On 23 July 2019 UKI attended a separate call-out to fix the immersion heater.
- She would like to see the invoices to prove the cost of repairs.
- UKI would not reply to correspondence.
- She has received no compensation at all.

- She was running a whole household on electric heaters and an immersion heater in the winter months.

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.

Mrs S has said she and her husband live in a large house with thirteen rooms including six bedrooms. They have two log-burning fires. She has said he has a chronic lung disease.

From the policy booklet I see that the policy covered an incident that would leave the home with a total loss of its main source of heating, lighting or water. Cover was subject to a limit of £750.00 per call-out.

Mrs S called for help with her boiler, which was her main source of heating.

UKI visited on about 9 June 2019 and diagnosed a faulty pump. From its final response I find that UKI thought Mrs S had a working immersion heater which would provide hot water. And it was summer when central heating was less important than in the winter.

But there was unnecessary delay before UKI ordered a replacement pump and electrode and fitted them on 20 June 2019.

Unfortunately the boiler still didn't work. The immersion heater wasn't working either, so there was no hot water.

UKI said the boiler had a blocked heat exchanger. Mrs S says that an independent engineer who happened to be at her house when UKI fitted the pump said that from the noise the boiler was making it needed a new heat exchanger, not a new pump. So I can see why Mrs S thinks UKI replaced the pump unnecessarily.

But it's not uncommon for there to be more than one problem with a boiler – especially an older boiler. And Mrs S hasn't provided enough technical evidence from the independent engineer to show that the old pump wasn't a problem. So I don't find that UKI replaced it unnecessarily.

I'm not satisfied that UKI communicated with Mrs S as well as it should have done. She called on 27 June. It was about 16 July when UKI told Mrs S she should pay for a power flush before it would get a quote for a new heat exchanger.

As regards the immersion heater, UKI's file includes the following note:

"Materials 085 + Uplift 5% = 089.25 + VAT = 0107.10 Labour x 3 Hour/s @ 041.04 = 0123.12 Total 0230.22 Already Spent 0668.76 Total 0898.98 Policy Limit 0750 CTP 0148.98"

From that note I find that the first two visits had cost UKI £668.76 so there was only £81.24 left of the £750.00 limit. The immersion repair was estimated at £230.22. So UKI thought there would be a balance of £148.08 for the customer to pay.

Mrs S has suggested that there was a separate call-out for the immersion heater. But an immersion heater only heats water for hot taps. It isn't a main source of heating for a home. So I don't think UKI was obliged to fix the immersion heater under the policy.

On about 23 July 2019 UKI repaired the immersion heater but made no charge to Mrs S. That restored running hot water.

The final response dated 25 July 2019 acknowledged some delay and poor communication.

I think the final response should've said that it was on behalf of UKI. The failure to do so caused Mrs S to write further letters to the bank and letters to UKI dated 24 September 2019 and 6 November 2019. So I think UKI should've clarified that the final response had been on its behalf.

However Mrs S's main problem was that she was still without a working central heating boiler. And UKI had made it clear on 25 July 2019 that a new heat exchanger would cost over £1,000.00 and was beyond the policy limit. So I don't share Mrs S's view that UKI was responsible for replacing it.

From what she's said, Mrs S paid someone else to fix the boiler in December 2019. As UKI had received a quote beyond the policy limit, I don't find it fair to direct UKI to reimburse the cost of replacing the heat exchanger.

For the same reason, I don't hold UKI responsible for the delay into the colder months – and the distress and inconvenience this caused Mrs S and her husband.

For the same reason I don't find it fair and reasonable to direct UKI to reimburse the cost of the purchase of two electric fan heaters and four oil-filled radiators, extra firewood or extra electricity.

I have found some delay and poor communication. But I'm satisfied that UKI did enough to make up for this by waiving any charge for fixing the immersion heater.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct U K Insurance Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 4 July 2020.

Christopher Gilbert
Ombudsman