

The complaint

Mrs W complains about the way AmTrust Europe Limited (AmTrust) handled claims she made on a home services policy and about the service she's received from it.

What happened

Mrs W had a home services contract, underwritten by AmTrust, which offered her heating cover and annual servicing for her boiler. Mrs W's boiler was serviced in February 2019 and the engineer found no issues.

In late May 2019, Mrs W's boiler broke down. She claimed on her policy and an engineer came out. He replaced a pump and suggested Mrs W might need a new boiler. The heating company called Mrs W a few times over the next day to arrange a quote for a new boiler. She told it she didn't want to go ahead with the quote.

A couple of days later, Mrs W let AmTrust know her boiler was overheating. Another engineer came out. He tested the pipework for sludge and suggested Mrs W might want a powerflush on the heating system. Mrs W didn't go ahead with this. At this point, a visit to quote for a new boiler was booked in with the heating company. Mrs W bought a boiler from another business.

In July 2019, Mrs W complained to AmTrust. She said that the company that installed her new system found the old boiler's faults were caused by issues with the water tank. Mrs W complained that AmTrust's engineers hadn't inspected her water tank and so didn't correctly identify the faults. She felt she'd had a new boiler installed unnecessarily and that because of this; AmTrust had cost her about £3000. She also wanted to cancel her policy with AmTrust.

AmTrust didn't think its engineers had done anything wrong. But it agreed to waive the cancellation fee for the policy. Mrs W wasn't happy with AmTrust's response, so she asked us to look into her complaint.

Our investigator thought Mrs W's complaint should be partly upheld. He didn't think AmTrust needed to pay Mrs W for the cost of her boiler. He said she'd had the benefit of a new boiler system. But he did think AmTrust should pay Mrs W £150 for the trouble and upset it'd caused her. AmTrust agreed and sent Mrs W a cheque for this amount.

Mrs W disagreed with the investigator. She felt the compensation wasn't enough. She said the engineers had left her with no working boiler. She didn't think she'd received the service she'd been paying for. And she felt that AmTrust had misled her about the life of her boiler. She believed it wanted new installation business.

I issued a provisional decision on 11 March 2020. In my provisional decision, I explained the reasons why I planned to reach the same overall outcome as the investigator. I said:

First, I've thought about the claims Mrs W made on her policy and what AmTrust's engineers told her about the life of her boiler. In May 2019, an engineer came out because Mrs W reported she didn't have any heating or hot water. The engineer's notes show that he replaced a pump and say he "advised on age of boiler and may need a new boiler." It looks like the engineer did try to repair the boiler and also that he thought Mrs W may need a new boiler system.

AmTrust's records suggest that the next day, Mrs W was called to arrange a quote for a new boiler. But the notes say she no longer wanted a quote. So it seems to me that at this point, Mrs W was happy to keep the boiler she already had. And that she didn't think getting a new boiler was essential.

A couple of days later, Mrs W claimed again because her boiler kept going off. The notes from AmTrust's engineer say the boiler was still overheating. It seems the engineer tested the pipework for sludge. The notes say: "Advised customer about powerflush, but with 16 rads and 22 year old boiler customer requests boiler lead instead."

I wasn't present during the discussion between the engineer and Mrs W, so I can't know what was said. It's possible that the engineer did tell Mrs W she needed a new boiler and that the notes don't reflect the conversation. But from what I've seen so far, it looks like the engineer offered Mrs W the option of a powerflush. And that she wanted to arrange a quote for a new boiler system.

Based on what I've seen so far, I don't think AmTrust's engineers sought to mislead Mrs W. It looks like she knew she had a choice about whether to go ahead with a new boiler quote, or explore the option of a powerflush to try to fix the boiler.

The replacement of the boiler

It's clear Mrs W feels strongly that she was let down by AmTrust's engineers. She's said the third party company which installed her new boiler system told her AmTrust had misdiagnosed the faults with her boiler. She sent both AmTrust and us a list of the faults she says the company found, which she says would've been obvious if AmTrust's engineers had checked the water tank. AmTrust accepts it didn't check the tank and says it wasn't required to as part of mandatory gas safe checks.

We asked Mrs W if she could provide a report from the third party setting out the faults it'd found. She told the investigator that she didn't have anything in writing from the third party – she'd written down what he told her.

AmTrust said if it'd been provided with a report from the third party before the boiler was replaced, it may have been able to arrange for a lead engineer to go out and check the original diagnosis. If she'd had repairs carried out by the third party, it's possible I'd have told AmTrust to pay Mrs W the cost of those repairs. But in this case, Mrs W didn't get the faults repaired. Instead, the boiler was replaced without AmTrust having a further chance to put things right. I can't fairly hold AmTrust responsible for Mrs W deciding to replace her boiler, rather than getting repairs done. As the investigator said, Mrs W has now had the benefit of the new boiler system and so I don't plan to tell AmTrust to refund her the cost of the boiler.

The service AmTrust provided

It's clear from the notes that Mrs W needed to call on AmTrust a few times to try to fix the faults with her boiler. She's said she was without hot water or heating as a result, up until she got the new boiler put in. I don't doubt that was highly frustrating. So I think it's appropriate that AmTrust should pay Mrs W some compensation for the trouble and upset the repeated call outs and loss of heating and hot water caused her.

I know Mrs W doesn't think £150 is enough. I've thought about this. I've also borne in mind that AmTrust wrote off the cancellation fee for Mrs W's policy, which was worth over £160. So taking both of these sums together, Mrs W will have effectively had over £300 to recognise poor service. Overall, I currently think the additional £150 compensation payment AmTrust has agreed to pay Mrs W is fair compensation for her trouble and upset. So I'm currently only planning to direct AmTrust to pay Mrs W £150.

I asked both Mrs W and AmTrust to send me any further evidence or submissions they wanted to me to look at by 10 April 2020.

AmTrust didn't respond.

Mrs W disagreed with my provisional decision. She thought I hadn't understood her full complaint. She felt the service she'd received from AmTrust had been neglectful. She'd experienced the same fault for at least three years - but at no time did an engineer go up into the loft to do a full diagnostic check. She felt AmTrust had been on a mission to get a new boiler - at least three engineers told her she needed a new boiler. But she said her old boiler had had many more years of life left in it. The boiler system had been off for several weeks. And Mrs W said she'd never dealt with AmTrust, only the service provider.

What I've decided – and why

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, while I'm sorry to disappoint Mrs W, I still think an award of £150 for Mrs W's trouble and upset is fair. I'll explain why.

I understand Mrs W usually deals with the service company. It's that company which carries out checks and repairs faults. But her policy is insured by AmTrust and when claims are made on the policy, AmTrust is responsible for the actions of the engineers. That's why this complaint has been set-up and considered against AmTrust.

It's clear Mrs W feels strongly that AmTrust should've gone into her loft to do a full diagnostic check. She said the same issues had been going on for at least three years.

As I explained in my provisional decision, AmTrust accepts it didn't do such a check. It told us this isn't a part of its mandatory checks and I accept this as a reasonable explanation. I can see that although Mrs W needed to make a few breakdown claims during 2016 and then again in September 2018, it doesn't seem as if the faults were consistent between December 2016 and September 2018. This suggests that for around twenty months, the boiler was working efficiently. AmTrust's records suggest each time Mrs W's boiler experienced issues, the engineers tried to investigate what was causing the boiler faults and to put things right. So I'm satisfied AmTrust did try to deal with Mrs W's boiler in line with the terms of the policy.

Mrs W feels that AmTrust was on a mission to sell new boilers. She says three engineers told her that she needed a new boiler. It's possible Mrs W had these discussions with multiple engineers and they simply haven't been recorded in the notes. And it's clear that at least one engineer seems to have told Mrs W she might need a new boiler. But

when AmTrust tried to call her to arrange a quote, Mrs W didn't want to go ahead. And I've borne in mind that the notes from another engineer's visit say she wanted a boiler lead, rather than the engineer suggesting it was necessary.

So based on what I've seen, I don't think it looks like AmTrust was trying to sell Mrs W a boiler aggressively. It seems it was suggested and Mrs W chose not to do so at that time. I appreciate she feels the boiler had years of life left in it. But it seems to have been her choice to buy a new system through a third party company at a later date, rather than get the boiler repaired. This suggests that she did decide a new boiler was necessary. And she's had the benefit of that new boiler system. So I won't be directing AmTrust to refund Mrs W the cost of her boiler.

Putting things right

Overall, I think £150 for Mrs W's trouble and upset is fair. I understand she may have been without the use of the boiler for a few weeks and I don't doubt this was stressful. But given AmTrust has written off her cancellation fee too in recognition of the issues, I feel £150 compensation is reasonable compensation. Mrs W says she didn't cash the cheque AmTrust sent. It's likely this cheque is now out of date. So if appropriate, AmTrust will need to issue a new cheque to Mrs W.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that I uphold Mrs W's complaint in part.

I direct AmTrust Europe Limited to pay Mrs W £150 for the trouble and upset it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 11 May 2020.

Lisa Barham
Ombudsman