

The complaint

Mr S is unhappy with the way in which Inter Partner Assistance SA (IPA) dealt with his home emergency claim following a breakdown of his boiler.

What happened

In December 2019, Mr S' boiler broke down and he was without heating and hot water. IPA sent an engineer to his home. The boiler was potentially leaking carbon monoxide and so, understandably, was deemed dangerous. The engineer disconnected it and reported that repairs would be required, to include a new control panel and a replacement gasket.

Mr S has said that IPA's engineer told him that the boiler could be repaired and that he should chase up the insurance company to ensure that approval was given quickly. He could then source the parts and return to complete the job.

Mr S chased up IPA but was told that the boiler was deemed to be beyond economic repair (BER). Accordingly, it said that its liability was limited to a contribution of £250 toward a new boiler.

IPA offered to supply Mr S with some heaters under the terms of the policy. But Mr S went out and got his own at a cost of £42.99. Given that IPA had said it wouldn't deal with his claim any further, Mr S had no choice but to go out and order a new boiler. This was fitted a couple of days later. After the boiler was fitted, Mr S asked an engineer why the original boiler couldn't have been fixed. He says he was told that it could've been.

Unhappy with what he had been told, Mr S complained to IPA. It said that the boiler was BER and so there was nothing more it had to do. It did, however, recognise that Mr S needed to chase up IPA's decision and had been put to unnecessary trouble and inconvenience as a result. It offered him £100 compensation for that. Mr S has not cashed that cheque and bought his complaint to this service.

Our investigator didn't think Mr S' complaint should be upheld, having reached the conclusion that the boiler was, more likely than not, BER. Mr S didn't agree and asked for an ombudsman's decision.

In advance of this final decision, I issued a provisional decision to the parties in which I said I intended to uphold Mr S' complaint. In response Mr S sent us a copy of his receipt for the heater which we sent on to IPA. It acknowledged receipt but didn't provide any further response to the provisional decision. Mr S had nothing further to add.

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.

In my provisional decision, I reached the following findings:

'Mr S' home emergency policy provides cover to 'resolve the emergency'. In Mr S' case, the emergency was that he didn't have any heating or hot water. The terms of his policy provide that IPA will pay for an engineer to repair a boiler to resolve the emergency. Here the engineer disconnected the boiler to make it safe and ensure that there wasn't any danger of carbon monoxide being released. But he didn't solve the emergency, as Mr S and his wife were still left without hot water and heating.

So, the claim remained open. The engineer's report details that the repair necessary was a gasket replacement and a new control panel. He didn't say anything in that report about the boiler not being repairable. What would generally happen next is that IPA would be approached to approve the repairs. Its case notes indicate that, after some calls to the engineers, it then deemed the boiler to be BER.

BER is defined in the policy as:

'When we determine that the cost to repair the boiler within the primary heating system in your home will exceed its replacement value or where the replacement parts are no longer readily available'

There is no evidence that IPA obtained a quote from the engineer for the replacement parts and labour. Or that it would have exceeded the cost of a replacement. Instead, IPA seems to have based its decision on its belief that the boiler was 11 years old and that it hadn't been serviced over the years. Mr S has provided evidence of the boiler's service history which shows it was serviced annually from 2013 to 2019. He says it was about 7 to 8 years old. I find this is likely to be correct, given the service history dates and Mr S' evidence that he bought the original boiler from the same people who replaced it recently.

So, it's my finding that Mr S' boiler wasn't BER. And that IPA didn't act reasonably in reaching the conclusion that it was. An 8-year old boiler could still have had many years life left in it. And from the pictures I've seen, other than the repairs identified, there's nothing to indicate that there was any extensive damage to the boiler from the gasket leak.

Mr S and his wife are both pensioners. And being without hot water and heating for the 3 to 4 days that this went on cannot have been easy, particularly as Mrs S hadn't been very well and it was winter. Mr S has told us that he didn't take IPA up on its offer to provide heaters as it was easier to get his own. I can also appreciate why he may not have wanted to involve IPA further, given its decision on his claim. I note that he bought a heater. But it doesn't appear that IPA have paid for this. I think it should, particularly given that the policy provides cover for alternative accommodation up to £250.

Mr S had to chase up IPA for a decision on his claim and then follow up on what I have found was an unreasonable decision. All this time Mr S and his wife were without hot water and heating. So, I've provisionally decided that IPA should increase the compensation offered from £100 to £200.

Mr S had his boiler replaced at a total cost of £1,302.85, including VAT. In determining what I think is fair compensation for this element of his complaint, I've taken into account the age of Mr S' boiler, the cover limit under the policy of £1,000 per emergency and the costs that IPA may have been expected to incur had it fixed Mr S' boiler as it should have done.

Mr S may not have had to replace his boiler for many years if IPA had fixed it. But, given the boiler was over 8 years old, equally it may have had further problems down the line. Mr S now has a brand-new boiler. And hopefully that should give him many years of service. So, I've provisionally decided that IPA should pay Mr S £800 toward the cost of his new boiler. That's within the limits of what it would have had to pay anyway under the terms of the

policy. And I think the repair could well have cost IPA around £500 in any event, given the price of the parts in an internet search we carried out.

Mr S also now has a new boiler. So, arguably, he's in a better position that he would have been had the boiler been repaired, given his new boiler should hopefully not give him any further trouble for many more years to come and, I expect, will have a warranty. But it has of course cost him over £1,300 to achieve that. And he's out of pocket. So, I think that an £800 contribution by IPA is fair here. That's more than half the cost of the new boiler. And takes into account that Mr S had to pay for a new boiler but should now hopefully save on having to make any repairs to it and/or replace it for many years to come.'

As I've received no further evidence from the parties, I don't see any need to change my findings which I confirm are adopted in full in this final decision.

My final decision

It's my final decision that I uphold Mr S' complaint. I require that Inter Partner Assistance SA do the following:

- Pay Mr S a total of £200 for the trouble and upset he's been caused. I understand he's not cashed the cheque for £100 already issued and so IPA should arrange to cancel that and pay the new amount.
- Pay Mr S £42.99 for his heater;
- Pay £800 toward the cost of Mr S' new boiler.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 12 October 2020.

James Kennard
Ombudsman