

The complaint

Ms L has complained about the way U K Insurance Limited (“UKI”) handled a claim she made under her home insurance policy.

What happened

Ms L held a home insurance policy with UKI. The policy included home emergency cover. UKI delegated responsibility for managing its home emergency repair operation to another company, which I’ll call “A”. However, for simplicity I’ll generally refer to UKI in this decision.

On 12 March 2020, Ms L noted water dripping through a light fitting in her kitchen ceiling. She contacted UKI which arranged for one of its authorised repairers to visit her property.

The repairer attended the property later that day. He cut a hole in the kitchen ceiling to locate the problem but advised Ms L that he needed to call upon a heating engineer to resolve the problem.

A heating engineer arrived the next day. He fixed the problem, which was due to an air vent in the airing cupboard. However, he advised Ms L there was evidence of corrosion to the flue. He therefore said he was under a duty of care to turn off the boiler.

Ms L was surprised because the boiler had been serviced in October 2019 and she’d experienced no problems with it previously. She switched the boiler back on but shortly afterwards found it had stopped working. This was apparently due to an air lock which she believed had been created when the heating engineer fixed the leak. She contacted the heating engineer who advised he was waiting for parts to be delivered before he could come back to work on the boiler.

Three days later, the heating engineer called Ms L to advise that UKI had not given him authorisation to return to fix the problem with the boiler.

Ms L called out her own heating engineer who advised her that the flue could be changed at any time and that this didn’t prevent action being taken to fix the air lock and thus reinstate the heating.

Ms L asked UKI to cover the cost of her getting her own engineer to fix the heating system and her own builder to repair the damage which had been caused to her kitchen ceiling.

UKI said it couldn’t cover the cost of her own engineer fixing the heating system. It said its heating engineer had reported that the main issue was with the flue which had been caused by the poor installation of the pipework when the home was built. This wasn’t covered by her policy. The engineer’s recommendation was that the boiler should be replaced, which was also not covered. In respect of the hole to the ceiling, it said Ms L would need to make a claim for the repair of this under the buildings section of her policy.

Ms L complained to UKI about its handling of the claim. She said the boiler had been working fine until the engineer carried out his repair. She said that, even if the flue did need

replacing, this had nothing to do with the current problem which she believed he'd caused.

On 20 March 2020, unable to get any other engineer who was willing to flush the system to clear the air lock and frustrated at having no heating, Ms L asked another company (which I'll call "B") to install a new boiler.

Ms L complained to UKI about its handling of the claim. She had found it confusing having to deal with A, who in turn appeared to have sub-contracted the repairs to other companies. She considered the heating engineer had caused the problem with her boiler which had until then been operating perfectly well. She wanted UKI to pay towards her new boiler and to cover the cost of fixing the hole in her ceiling.

UKI and A, acting on UKI's behalf, issued separate final response letters to Ms L. A said the heating engineer had identified issues with the boiler and that, after considering his report, the home emergency team had deemed the boiler beyond economic repair. It said the policy offered £250 towards the cost of a new boiler in such circumstances and invited Ms L to provide evidence she'd purchased a new boiler so that she could receive this sum. UKI said that damage caused to decoration, fixtures or fittings during a home emergency callout was not covered under the home emergency cover but that Ms L could claim for this under the buildings section of her home insurance policy.

Ms L was unhappy at the responses. She referred her complaint to us.

Our investigator recommended that the complaint should be upheld in part. She considered it was reasonable for UKI to use external contractors and that it had acted in accordance with the terms of the policy in the way it had settled the claim. She didn't consider that the heating engineer had been shown to have done anything wrong. However, she thought UKI's communication had been poor with the result that Ms L had been left to chase the heating engineer directly to find out what was happening with her claim. She considered that UKI should pay Ms L £250 compensation for the trouble and upset this poor communication had caused.

Ms L didn't accept the investigator's findings. She considered that the claim had been handled very poorly, with no-one at UKI taking ownership of the problem which the heating engineer had created. She said this had resulted in her having to unnecessarily purchase a new boiler.

UKI also didn't accept the investigator's findings. It considered that £150 compensation was more appropriate for its poor communication.

In view of the continued disagreement, the matter has been passed to me for a decision.

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.

Ms L said the boiler was working perfectly well until the heating engineer visited. She has pointed out it was regularly serviced, most recently in October 2019. She considers that the engineer created an air lock which was the only reason it stopped working. She considers that it was therefore up to UKI to fix that air lock and restore the heating system. She says its failure to do so led to her buying a new boiler which wasn't otherwise needed.

UKI's records show that an engineer had attended to a problem with Ms L's boiler in November 2018 and had noted that the flue was missing the cross hairs which meant birds could potentially gain access. When the engineer attended in March 2020, he found that there was heavy corrosion around the flue, heavy leakage inside and an airlock in the system. He considered the main problem was the poor installation of the pipework from when the house was built. He considered the boiler was unsafe. Based on the nature of the problem, and the age and condition of the boiler, UKI deemed the boiler beyond economic repair.

I consider that this was a reasonable decision for UKI to take. The evidence indicates that the flue was in a very poor and potentially dangerous condition. The fact that Ms L had had the boiler serviced some five months earlier doesn't mean that it hadn't reached the stage where it needed replacing. Ms L says that the heating engineer caused the airlock when he fixed the leak but I don't have any expert evidence to indicate that the engineer acted incorrectly in any way. Ms L provided an email from B in March 2020 saying that the flue simply needed a terminal guard fitted to prevent a blockage. However, B apparently had not inspected the flue following the engineer's report when it sent this and its comment seems to be addressing only the issue of the missing cross hairs and not the reported corrosion. I don't consider that Ms L has provided reasonable evidence to show the heating engineer was at fault or that the boiler could be easily repaired.

The home emergency section of the policy states:

"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"*

However, it also states:

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

In the circumstances, I consider it was reasonable for UKI to say that it wouldn't cover the cost of further repairs to Ms L's boiler but to instead offer £250 towards the cost of its replacement.

With regard to the hole in Ms L's ceiling, I consider that the initial contractor would reasonably have needed to make this while he was trying to trace the source of the leak. The home emergency section of the policy states:

"We won't pay for ... loss of or damage to any decoration, fixtures or fittings that happens during an emergency assistance call out (note you may be covered if you have cover under Sections 1 and/or 2 of this policy)"

The buildings section of the policy confirms that cover is provided for repairing damage caused by tracing and accessing an escape of water.

In light of this, I consider it was correct for UKI to advise Ms L that it wasn't obliged to repair the hole in the roof under her home emergency claim but that she could make a separate claim for this repair under her buildings cover.

While I therefore think that UKI carried out appropriate repairs and offered to settle Ms L's claim in an appropriate way, I nonetheless consider its communication was poor.

The policy states that UKI will appoint an authorised repairer to carry out emergency repairs under the home emergency cover. However, I don't think this makes clear that UK had contracted out the management of the home emergency cover to another company, A, who in turn would sub-contract out the repair work to further companies. I don't think UKI properly explained this to Ms L and I can understand how she became confused as to who she should be dealing with.

Furthermore, I consider it was very poor that A, on behalf of UKI, decided that Ms L's boiler was beyond economic repair and that no further work should be carried out on it, yet it did not properly inform her of this decision. As a result, she only found out after chasing the heating engineer who had been sub-contracted to do the work. And UKI still didn't tell Ms L she was entitled to £250 towards the cost of a new boiler until she made her complaint. I consider that this poor communication would have caused considerable frustration to Ms L whom, it was clear from her correspondence, was getting anxious about her non-working boiler, particularly as this was at a time when the country was about to enter lockdown due to the coronavirus.

I consider that UKI should pay Ms L £250 compensation for the trouble and upset caused to her by its poor communication.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require U K Insurance Limited to pay Ms L £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 15 April 2021.

David Poley
Ombudsman