

The complaint

Mr A is unhappy with the handling of a claim he made under his home emergency insurance policy. The policy is underwritten by Inter Partner Assistance SA (IPA), so any reference to IPA include its agents.

What happened

In April, Mr A noticed water was dripping from his boiler. He arranged for two engineers to inspect it. The second told Mr A the repair would cost £1,142. Mr A says he was told his policy provided for the first £1,000 towards repairs, meaning he would need to pay the remaining £142. However, Mr A felt it might be just as cost effective to replace the boiler and IPA asked him to send a quotation.

Mr A says he was then asked to provide his service history, but IPA then told him they wouldn't contribute £1,000. Instead, their contribution would be limited to £250 as the boiler was beyond economic repair. In response to this, Mr A says he wanted to have the boiler repaired instead but had been having difficulty arranging this. However, he was able to have the boiler repaired.

In order to put things right, Mr A thinks IPA should compensate him for the worry and stress he and his family have experienced.

IPA says Mr A indicated he could have the boiler repaired for £400-£500 and, at that price, it would consider contributing. However, it said if the repairs cost more than that, it would consider the boiler beyond economic recovery and contribute £250 in line with the policy terms. When IPA received the invoice from Mr A it showed the repairs had cost £950, significantly more than Mr A had indicated. IPA subsequently offered Mr A £676, but Mr A feels this should be higher.

Mr A referred his complaint to this service. One of our investigators looked into what happened and concluded IPA's offer was fair and reasonable in the circumstances. As Mr A didn't agree, his complaint has been passed to me.

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.

While I can see this matter is important to Mr A, I've reached the same conclusion as our investigator and for the same reasons.

The policy terms and conditions provide a benefit of up to £1,000 for repairs. It says in the event of an emergency the policy will offer cover for:

“call-out charges, labour, parts and materials up to the value of £1,000 per claim”

However, the policy also contains an exclusion:

“Key benefit exclusions...

...If the boiler is beyond economic repair, cover for your primary heating system will cease until your boiler is replaced. We may contribute a maximum of £250 towards the cost of you replacing it with a new boiler”

It's important to note Mr A's policy doesn't cover for the full cost of any repairs. As a result, I've considered what Mr A was entitled to.

The notes provided by IPA clearly state it would consider Mr A's boiler as beyond economic repair if the repairs exceeded £500. I think the second engineer who told Mr A he'd likely only have to pay £142 towards the cost should have instead clarified the likely outcome was that Mr A would receive a contribution of £250.

I can see Mr A was in a difficult situation at the time and might have felt his options were limited. He's mentioned his family were at home and distressed by the situation. However, if Mr A was given the correct information about the likely contribution by the engineer, I think it is more likely Mr A would still have proceeded with arranging the repair.

From what I've seen, when the possibility of carrying out a repair was discussed, IPA made it clear to Mr A that if repair costs exceeded £500, it would consider the boiler to be beyond economic repair. However, Mr A chose to move ahead with the repairs and, as such, IPA was only required to pay Mr A up to £250. However, it chose to make a payment of £676.

As this was more than IPA was required to pay under the policy, I consider it has acted fairly and reasonably in response to Mr A's claim. It follows, I'm not going to direct it to increase this or make any further payment to Mr A.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 February 2021.

Emma Hawkins

Ombudsman