

The complaint

Mr J complains that Amtrust Europe Limited is responsible for poor service in connection with a home emergency insurance policy.

What happened

The Financial Ombudsman Service deals with a consumer complaint against an insurance company or other regulated financial firm. Where it's a complaint 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 the firm, but we don't identify any other party.

Since about 2013, Mr J had an insurance policy branded with the name of a home services company. The policy included cover for his central heating boiler. He renewed it for a year from February 2020.

Amtrust was the insurance company that was responsible for dealing with claims. Where I refer to Amtrust, I include the home services company, engineers and others insofar as I hold Amtrust responsible for their actions.

On about 30 August 2020, Mr J's boiler was leaking and not providing central heating or hot water. So he called for help under the policy. Amtrust made several visits but couldn't fix the boiler. In mid- September 2020, Amtrust sent Mr J an email saying that his boiler was beyond economical repair ("BER").

In the end, Mr J was without central heating and hot water for nearly two weeks before he had a new boiler installed at a cost of about £1,500.00.

Mr J complained to Amtrust about its response. By a final response dated 23 September 2020, Amtrust said it was refunding the premium for that year amounting to £174.87 and paying compensation of £100.00 for the trouble and upset.

Unhappy with that response, Mr J brought his complaint to us in early October 2020.

our investigator's opinion

Our investigator recommended that the complaint should be upheld in part. She thought that – as it couldn't repair Mr J's boiler – the insurer should have made a contribution towards his replacement boiler. She said the policy terms didn't specify that it had to be the home services company that install this. The investigator recommended that Amtrust should:

1. contribute the equivalent of the cost of the repairs (which was just over £840.00); and
2. pay Mr J 8% interest per annum from the date of payment for his boiler to the date of settlement; and

3. pay an additional £100.00 in compensation for the trouble and upset caused.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr J and to Amtrust on 23 February 2021. I summarise my findings:

£250.00 is a level of contribution that is in line with some other home emergency insurance policies I've seen. And I was minded to find it a fair and reasonable contribution in Mr J's case.

But I considered that Amtrust should've found the boiler BER sooner. I considered that its delay caused Mr J to be without central heating and hot water for several days more than was necessary. And Amtrust missed an appointment and had some shortcomings in its communication.

Subject to any further information from Mr J or from Amtrust, my provisional decision was that I was minded to uphold this complaint. I intended to direct Amtrust Europe Limited to pay Mr J (in addition to its payments of £174.87 and £100.00):

1. £250.00 contribution towards the cost of his new boiler; and
2. an additional £100.00 for distress and inconvenience.

Mr J has nothing more to add in response to the provisional decision. Amtrust accepts the provisional decision. So I see no reason to change my view.

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.

From what Mr J and Amtrust have each said, I find it likely that Mr J's boiler was over seven years old.

The policy terms contained a definition of BER as follows:

*“**Beyond Economic Repair**”: when we deem the cost of parts required to repair your boiler exceeds its current value based on age and condition;”*

The policy terms included the following:

*“**10.5.** If spare parts are available but, in our opinion, your System is considered to be Beyond Economic Repair then we will offer you a contribution, at our discretion, towards a new boiler. This offer is only valid for 30 days from the date of our Engineer visit. We will either provide you with a discount in advance, or a contribution once you have provided proof (i.e. receipt/invoice) of a new boiler being installed within 60 days from when your System was deemed Beyond Economic Repair by our Engineer. We will let you know which one will be applicable at our Engineer visit. We must approve any contribution in advance of work being undertaken.”*

That term didn't specify the amount of any contribution. And It used the words “*at our discretion*”. So I don't consider that it promised any specified contribution. Also, the term

provided that Amtrust had to approve any contribution before work was done to install a new boiler.

The policy terms also included the following:

“16.14. We may terminate your Agreement in the following circumstances if:

*...
m) If your System is Beyond Economical Repair and you decline our contribution offer for a replacement boiler as explained in clause 10.5;”*

Mr J already had a problem when he contacted Amtrust – that’s why he contacted Amtrust. Depending on what was wrong with the boiler, it was always going to take some time to obtain parts to repair the boiler or to get a new one installed. And in the meantime, Mr J was going to be without a working boiler.

I keep in mind that it was early autumn. On the earlier visits, Amtrust ordered spare parts. On 2 September 2020, Amtrust didn’t keep an appointment. On 7 September 2020, Mr J’s wife called Amtrust to complain that they had been without heating and hot water for nine days. Amtrust visited again that day and the next day.

From its file, I find that Amtrust had ordered parts to the value of over £840.00. So I don’t find it unreasonable that Amtrust said that the boiler was BER.

I haven’t seen enough evidence to show that Amtrust offered a contribution under policy term 10.5 – until it made its offer through us of £250.00.

At the time it cancelled the policy, Amtrust hadn’t made an offer of contribution and Mr J hadn’t declined it. So I’m not persuaded that the cancellation was in line with policy term 16.14. But Amtrust also made a refund of premium. And Mr J didn’t want the policy after he got a new boiler. So I don’t find it fair and reasonable to direct Amtrust to do any more to put right the cancellation.

£250.00 is a level of contribution that is in line with some other home emergency insurance policies I’ve seen. And I find it a fair and reasonable contribution in Mr J’s case.

But I consider that Amtrust should’ve found the boiler BER sooner. I consider that its delay caused Mr J to be without central heating and hot water for several days more than was necessary. And Amtrust missed an appointment and had some shortcomings in its communication.

I don’t doubt that this caused Mr J extra distress and inconvenience at an already difficult time for him. I keep in mind the offers that Amtrust has made. But I don’t consider that £100.00 was enough for distress and inconvenience. I find £200.00 fair and reasonable.

Putting things right

I find it fair and reasonable to direct Amtrust Europe Limited to pay Mr J (in addition to its payments of £174.87 and £100.00):

1. £250.00 contribution towards the cost of his new boiler; and
2. an additional £100.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I direct Amtrust Europe Limited to pay Mr J (in addition to its payments of £174.87 and £100.00):

3. £250.00 contribution towards the cost of his new boiler; and
4. an additional £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 23 April 2021.

Christopher Gilbert
Ombudsman