

The complaint

Mrs R and Mr R complain that AWP Assistance UK Ltd trading as Allianz Global Assistance (“Allianz”) failed to respond properly when their central heating system broke down, and they called on Allianz for assistance under their home emergency insurance policy.

What happened

In December 2019, Mrs R and Mr R found that the radiators in their house were cold; water wasn’t circulating through the heating system. Their central heating system had been overhauled less than three years previously, when a new boiler, and new valve and pump, were installed, and the system was given a power flush.

They had a home emergency policy underwritten by Allianz, who sent an engineer the day after it was contacted. In discussions with the engineer, Mr R said he thought the fault could be an airlock in the system, or a block in the magnetic filter. The engineer dismissed the possibility of an airlock, and said that to clean the filter, he’d have to do pipework which wasn’t included in the policy. So he left without rectifying the fault.

Later that evening, Mr R was contacted by Allianz to advise that the engineer had reported the boiler as beyond economic repair (BER). As the system was relatively new, Mr R disagreed that the boiler was BER. He was told that his claim would be escalated, but this didn’t happen.

Mrs R and Mr R had the boiler repaired at a cost of £75 by their own engineer, who found the issue to be an airlock in the system. They complained to Allianz about its engineer’s diagnosis that the boiler was BER, and raised concerns that if it was, it should have been condemned by the engineer whilst on site. They also reported that the engineer damaged pipes in their loft.

Allianz said the views the two engineers came to were different. But it agreed to reimburse the £75 charged by their engineer. It also offered to provide a further £75 to compensate for its poor communication, and it apologised for the failure of a manager to contact them after their initial complaint.

Our investigator recommended that this complaint should be upheld. She said:

- Mrs R and Mr R’s engineer was able to remedy the fault, so she thought the diagnosis made by Allianz’s engineer was incorrect. She agreed that Allianz should reimburse Mrs and Mr R the £75 repair cost they had incurred, with yearly interest at the rate of 8% simple from the date of payment until settlement;
- the consequence of the misdiagnosis was that the repair was delayed, and this caused Mrs R and Mr R to spend a further winter’s night in the house without heating, and to suffer further inconvenience. She recommended that Allianz pay Mrs R and Mr R compensation of £125 for this aspect; and
- on balance, she considered it more likely in the circumstances that the damaged pipework was caused by Allianz’s engineer, and that it should cover the cost of

rectifying this. Mrs R and Mr R had obtained a quote for this. She said if Allianz didn't agree this, Mrs R and Mr R should obtain another quote, and Allianz could choose which to pay.

Allianz said it was willing to reimburse the £75 plus interest, and to pay the suggested compensation of £125. It asked to see the quote for repairing the pipework, and also asked that Mrs R and Mr R obtain a further alternative quote. These have been supplied to Allianz, but since then Allianz has failed to say what it is prepared to do. So this complaint has been passed to me to issue 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.

Having done so, I find that I've come to the same conclusions as the investigator, and for broadly the same reasons. I agree that Allianz should reimburse the £75 repair cost, plus interest, and pay Mrs and Mr R jointly compensation of £125 for the distress and inconvenience its engineer's misdiagnosis caused them. I note that Allianz has agreed to do this.

I also agree that Allianz should pay the cost of rectifying the damaged pipework in the loft. Mrs R and Mr R in fact produced three quotes for this work, depending on the type of filter to be installed, namely £448, £540, and £562, each inclusive of VAT. Allianz has failed to say which it is willing to pay. I think it's reasonable that it should pay the cheapest one - £448.

Putting things right

To put things right, I think Allianz should pay Mrs R and Mr R jointly the sums set out in my final decision below.

My final decision

My decision is that I uphold this complaint, and order AWP Assistance UK Ltd trading as Allianz Global Assistance to pay Mrs R and Mr R jointly, less any part it has already paid them:

1. £75 in respect of the repair cost they have incurred, with yearly interest at the rate of 8% simple from the date of payment until settlement ⁽¹⁾;
2. compensation of £125 for the distress and inconvenience its engineer's misdiagnosis caused them; and
3. £448 to rectify the damage to their pipework that its engineer caused.

- (1) If Allianz considers that it's required by HM Revenue and Customs to withhold income tax from that interest, it should tell Mrs R and Mr R how much it's taken off. It should also give Mrs R and Mr R a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue and Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr R to accept or reject my decision before 18 June 2021.

Lennox Towers
Ombudsman