

The complaint

Mr H and Mrs H complained about how AXA Assistance (UK) Limited (AXA) dealt with a claim under their home emergency policy.

All references to AXA include contractors working on its behalf.

What happened

Mr H and Mrs H noticed a small water leak coming through a ceiling in their home. They tried to call out an engineer under their home emergency policy. However, there was an issue with the policy setup. An engineer was sent a few days later, when this had been resolved.

The engineer said the boiler needed a new fan and connection tube, which needed to be ordered. AXA also said that Mr H and Mrs H could order heaters up to the value of £50, as they had no heating.

A few days later, an engineer visited and replaced the flow pipe, but didn't replace the fan as this was found to be working. However, Mr H and Mrs H contacted AXA again the same day to report that the pressure was still dropping on the boiler and there was a wet patch on the ceiling. So, another appointment was made to try and resolve the problems.

The engineer visited again a few days later and replaced the filling loop. The engineer then tried to locate the source of the leak that was causing water to run down a wall. The engineer cut an inspection hatch and found the termination for the pressure relief valve (PRV) pipework in the ceiling void. The engineer categorised the boiler as at risk, which meant the boiler needed to be turned off and the pipe would have to be re-routed outside the house to operate safely.

A few days later, an engineer visited to assess what would need to be done to re-route the pipework. A few days after that, AXA sent another contractor to again assess what needed to be done. This engineer assessed the situation and couldn't find a leak. They said the PRV pipework should have been extended through the roof space and across the extension to the house. The engineer didn't think this was covered by the emergency policy as this was an installation issue.

Mr H continued to follow up with AXA and was then told that he should arrange his own contractor to get his boiler working and that he could claim back the costs up to the £500 policy limit.

Mr H and Mrs H arranged for a contractor to visit to re-route the pipework. However, after the visit, the boiler continued to lose pressure, which was affecting the heating and hot water. The contractor returned and identified that excessive force had been used when AXA's engineers carried out the work, which had split the heat exchanger.

Mr H and Mrs H complained to AXA. When AXA replied it accepted that there had been issues with progressing the claim. However, AXA said it didn't have sufficient evidence to show that its engineers had acted incorrectly. The overflow pipe from the boiler also didn't

extend to outside the house. This indicated faulty installation, which AXA wasn't responsible for. AXA offered £500 compensation as an apology for the distress and inconvenience caused. It also raised an additional £500 towards the cost of repairing the boiler, as this had previously been agreed.

Mr H and Mrs H complained to this service. Our investigator upheld the complaint. She said that Mr H had reported the leak, but the engineers didn't seem to be aware of this issue. She also said the evidence suggested that it was more likely than not that an AXA engineer had damaged the heat exchanger. She said AXA should pay for the heat exchanger repairs and the pressure loss diagnosis. AXA should also pay the £500 compensation it had already offered and pay for any increased electricity costs.

As neither party agreed, the complaint has been referred to me.

I issued my provisional decision on 3 March 2021. In my provisional decision, I explained the reasons why I was planning to uphold this complaint in part. I said:

When Mr H first contacted AXA, this was to deal with a leak. There were issues with the policy setup, so it took several days for AXA to send an engineer. It took repeated visits for the engineer to find the source of the leak. Mr H and Mrs H have said the engineer told them during one of the visits that he hadn't been told about a leak and that he had been told to look at the boiler. Looking at the job sheets, these described the job as:

"leak in downstairs rooms heating and hot water gone for about a week now. wet patch on ceiling running down one of the walls." (As original.)

The engineer's comments on the job sheet from the first visit said that he found a leaking hose in the boiler. So, I think the engineer did look for a leak and found one. At the second visit, the engineer replaced the flow pipe and signed off everything as ok. However, Mr H and Mrs H had to contact AXA again as the boiler still wasn't working properly. It was at the next visit that the engineer cut an inspection hatch and found the termination for the pressure relief valve (PRV) pipework in the ceiling void. This seemed to be the source of the leak that had originally been reported.

Mr H and Mrs H have said that this leak should have been found sooner and if it had been found at an earlier visit, the damage to their home wouldn't have been so significant. So, I've thought about this. The PRV shouldn't have terminated in the ceiling void. By doing this, it meant that any water that escaped from it did so within the confines of the house, rather than outside as it should have done. AXA has said this was an installation issue and I agree with that. I think the engineer did look for and find a leak and I don't think the engineer would have expected the PRV pipework to terminate where it did.

But, I think this also needs to be looked at in the context of what seems to have happened next, which was that during the engineer's third visit, Mr H and Mrs H said that there was a large release of water and this caused significantly more damage. This detail isn't included in the engineer's report and it hasn't been possible to confirm the full details of what happened with the engineer, but I will assume that was what happened. The engineer cut an inspection hole and found the PRV pipework termination in the ceiling void.

I've thought about this carefully. There was an issue with the boiler pressure, so I think it's reasonable to expect that the engineer might have used the PRV during his visit. Even if he could have potentially got to this point on one of earlier visits, I think he was still likely to have used the PRV when he was trying to fix the issue with the boiler. But, I don't think the engineer would have expected the PRV to terminate in a ceiling void. If it had been correctly installed, it should have terminated outside the house. I'm also aware that Mrs H told AXA

that they hadn't had the boiler serviced in the six years or so that they had lived in the house. So they didn't know there was an issue with the PRV, which might have been picked up during a service had these taken place.

So, in my view, the reason the engineer's actions resulted in more damage was due to the incorrect installation and that no-one knew that this was the case - not because of carelessness on his part. I don't think the engineer could reasonably have been expected to foresee that by using the PRV that this was likely to result in a release of water that caused damage inside the house. So, although I know this will disappoint Mr H and Mrs H, I don't think that AXA was responsible for paying to repair the damage. As a result, I don't currently intend to uphold this part of the complaint.

I've also thought about whether AXA should pay Mr H and Mrs H's costs for their own plumber re-routing the PRV pipe. In my view it should. This is because, regardless of whether the policy would normally cover that work, I've listened to a phone call where AXA spoke to Mr H and told him to arrange for someone to assess and carry out the work to get his boiler working again. This was agreed outside of the normal claims process and the only caveat was that the work was subject to the £500 limit in the policy. The boiler had been switched off because of the location of the PRV pipework termination. So the way to get the boiler working again was to get the pipework re-routed. Mr H has provided copied of invoices for the work. This showed the repair cost, which is within the £500 limit. So, I currently intend to say that AXA should pay this.

I've also thought about the issue with the split heat exchanger. Mr H and Mrs H provided a quote from a contractor that said AXA had damaged the heat exchanger due to "excessive force" being used during the repair. I find this evidence to be a credible explanation of what happened. I asked AXA a number of questions related to this case, but it was unable to respond to them as it couldn't get a reply from the engineer. I'm aware that AXA previously explained that the engineer said the damage was due to wear and tear. But looking at all of the evidence available to me, I'm more persuaded that the likely cause of the damage was due to the actions of the engineer while a pipe was being replaced on the boiler. So, I currently think AXA should also pay the cost of the call out fee, which was £108 and for the part being replaced, which was £913.20. This is outside of the £500 policy limit because I'm currently of the view that the damage was caused by the engineer, so the policy limit isn't relevant.

Mr H and Mrs H are also concerned about the additional costs for using heaters in their home while AXA was trying to resolve the issues. I think this claim took longer to deal with than it should have and AXA seemed to accept this when it was dealing with Mr H and Mrs H's complaint. So, I currently think that AXA should cover any additional costs for using the heaters, subject to Mr H and Mrs H providing evidence of this. I also intend to say that AXA should pay interest on each of these amounts as Mr H and Mrs H lost use of the money from the date on which they paid the invoices.

I've also thought about whether AXA should pay Mr H and Mrs H compensation for what happened. I think Mr H and Mrs H were caused distress and inconvenience by what happened when they tried to get their claim dealt with and were left without heating and hot water. The problems also seem to have continued due to the engineer damaging part of the boiler. AXA already offered £500 compensation. I think that was reasonable in the circumstances and I currently intend to say that it should pay this amount.

I understand that AXA already sent Mr H and Mrs H a cheque for £500. Mr H and Mrs H have said that they didn't bank the cheque. So, subject to any processes that AXA needs to carry out to satisfy itself about the status of the first cheque, AXA should ensure that Mr H and Mrs H receive the full amount payable in relation to this complaint.

I asked both parties to send me any more information or evidence they wanted me to look at by 2 April 2021.

Mr H and Mrs H said they wanted me to proceed in line with my provisional decision.

AXA confirmed the elements it was required to reimburse and said it had already previously paid £1,000 made up of £500 compensation and £500 towards the heat exchanger.

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've decided to maintain my decision that the complaint is upheld in part, for the reasons given in my provisional decision. AXA will need to pay the costs described. It may deduct the amounts already paid, as it doesn't need to pay them twice. However, if there is evidence that Mr H and Mrs H didn't bank those cheques, AXA should reissue those amounts, subject to any checks it needs to carry out.

Putting things right

As a result, AXA should pay Mr H and Mrs H's costs for re-routing the pipework and replacing the heat exchanger, as well as any additional electricity costs. AXA should also pay £500 compensation.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that the complaint is upheld in part. I require AXA Assistance (UK) Limited to:

- Pay Mr H and Mrs H's costs for their own plumber re-routing the pipework, subject to them providing AXA with evidence of these costs.
- Pay Mr H and Mrs H the cost of assessing and repairing the heat exchanger, subject to them providing AXA with evidence of these costs.
- Pay Mr H and Mrs H the additional electricity costs they incurred due to having to use electric heaters for a prolonged period, subject to them providing AXA with evidence of these costs.
- Pay 8% simple interest on each of the above amounts from the date on which Mr H and Mrs H paid each of the invoices until the date on which AXA pays the money.
- If AXA Assistance (UK) Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr H and Mrs H how much it's taken off. It should also give Mr H and Mrs H a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.
- Pay Mr H and Mrs H £500 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 19 May 2021.

Louise O'Sullivan
Ombudsman