

## The complaint

Miss P complains that Great Lakes Insurance SE treated her unfairly when she made a claim for a faulty boiler on her home emergency policy.

Reference to Great Lakes includes its agents.

## What happened

Miss P had home emergency insurance with Great Lakes, which covered repairs to the back boiler in her home. In February 2021, Miss P reported a problem with the back boiler, which caused a loss of heating and hot water. Great Lakes sent an engineer out, he said he didn't deal with back boilers. When speaking to Miss P shortly after, Great Lakes said that repairs to the back boiler weren't covered at all by the terms of the policy (although it's since acknowledged this advice was wrong).

Miss P says having no heating and hot water for several days caused her extreme difficulties. And she said she had no choice but to stay with family in unsuitable living arrangements until her boiler could be repaired. This made her existing medical conditions worse. She also had to take out an alternative insurance policy, which did include emergency boiler repairs. This cost her £381 and didn't include the same extent of cover as her Great Lakes policy.

Miss P later complained to Great Lakes and it upheld her complaint. It apologised for the misinformation given to its contractor (who hadn't been told that the problem was with a back boiler).

Miss P complained to us. One of our investigators looked into things and noted Great Lakes had since offered to reimburse Miss P the cost of the alternative policy she'd taken out (£381) and pay her compensation of £140, to reflect the impact of being without heating and hot water for three days. But the investigator didn't think Great Lakes' offer went far enough. She didn't think Great Lakes needed to reimburse the cost of Miss P's policy with it as Miss P thought it should. She pointed out that the policy premium would still have been payable had Great Lakes accepted a valid claim under the terms of the policy. But the investigator acknowledged that Miss P needn't have taken out another policy if Great Lakes had correctly dealt with her claim. So, she said Great Lakes should reimburse Miss P the £381 cost of the new policy. And she thought Great Lakes should compensate Miss P £550 to fully reflect the extent of the distress and inconvenience caused.

Great Lakes didn't agree and put forward a number of arguments to challenge the investigator's assessment. It said there would have been some pain and suffering to Miss P even if the boiler had been repaired shortly after the engineer went out. And it didn't think it was fair to attribute all of the impact on Miss P to its actions. It accepted it *'could and should'* have offered Miss P alternative accommodation for one night in line with the relevant section of the policy. But it said that would only have been equivalent to £150 which it felt should be paid now by way of compensation. And it thought any remaining compensation should be reduced to £100 (making £250 in total), particularly as Miss P hadn't made it aware of any existing medical conditions despite being asked about them. Taking account of these things, Great Lakes thought the total amount payable to Miss P should be £631 (£250 compensation+ £381 to reimburse the cost of another policy).

As Great Lakes didn't accept the investigator's assessment and asked for an Ombudsman's decision, it's been passed to me to decide.

### **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'm upholding this complaint.

I appreciate that Great Lakes now accepts it got things wrong by saying that repairs to Miss P's back boiler weren't covered by the terms of her policy. But I don't think its compensation offer and arguments fully and fairly recognise the extent of the impact its mistakes had on Miss P. I'll explain why.

Great Lakes says it's unfair to attribute all of the impact on Miss P to its actions. Not least because it says there was always going to be some level of inconvenience even if things had gone smoothly. I accept that. But things didn't go smoothly, and this appears to have had quite an impact on Miss P. Firstly, she was faced with the disappointment of being told by the engineer that he didn't repair back boilers, despite her specifically telling Great Lakes that the problem concerned a back boiler. Great Lakes now accepts it didn't pass the correct information on when instructing an engineer. And, if it had sent the correct instructions to an appropriate engineer, it's likely Miss P's boiler would have been repaired without any further delay or upset.

Then, Great Lakes added to Miss P's disappointment by (incorrectly) telling her the boiler repairs weren't covered by her policy at all. In these circumstances and as it happened in the depths of winter, I can appreciate why Miss P felt she had little choice, but to find another policy that would cover her boiler repairs. This could have been avoided if Great Lakes had correctly accepted the claim. So, to put things right, it's fair that Great Lakes reimburses Miss P the £381 she spent on this policy – a policy that she didn't need.

But I think the impact went far beyond that. Miss P's also described the effect on her existing health conditions and has provided evidence of those conditions. I accept Miss P's evidence and can see why, when faced with the prospect of having no heating and hot water for several days, Miss P thought it better for her and her family to stay with a relative. Even though their temporary living arrangements were far from ideal. Great Lakes thinks that any compensation paid to Miss P should be reduced because she hadn't previously mentioned her health conditions – despite being asked. I'm not persuaded by that argument. Had Great Lakes' engineer repaired Miss P's boiler as her policy terms allowed, there would have been little need for her to even mention her health conditions. I say that because Miss P may have been able to stay at home, which would likely have significantly reduced the inconvenience she faced. But that's not what happened. Instead Great Lakes told Miss P she wasn't covered at all. And given it said her policy didn't cover the boiler repairs, that would have been the case regardless of whether or not Great Lakes knew about her health conditions. So, I don't think she needed to tell Great Lakes about her conditions at the time. But, in order to assess the impact of Great Lakes' mistakes on her, I think it's reasonable for Miss P to mention the effect on her health conditions now. And I think it's equally reasonable to expect Great Lakes to take account of that when compensating her.

Great Lakes said that it "*could and should*" have offered Miss P one night's alternative accommodation, up to the relevant policy limit of £150. And it thinks that amount should be paid as part of any compensation awarded. I don't agree. When deciding whether to award compensation and if so how much, I think about the impact a business' mistakes have had on the consumer concerned. That includes considering the extent of the distress and inconvenience the consumer has actually suffered. So, my awards for compensation aren't limited to what a consumer might have received had a business done what it was supposed to do.

In this case Miss P was unnecessarily left without heating or hot water in the depths of winter. She was in an incredibly difficult situation that was making her health conditions worse than they would otherwise have been. As a result, she and her family had to spend time in unsuitable and cramped accommodation. And Miss P's painted a clear picture of how distressing she found this situation. All of that could have been avoided if Great Lakes provided the service Miss P's policy entitled her to from the outset. But it didn't and Miss P suffered as a result.

Taking account of everything I've said above, I think a compensation payment of £550 is reasonable in these particular circumstances. I'm satisfied that such a payment would fully and fairly reflect the extent of the distress and inconvenience Miss P suffered. So, that's the amount that Great Lakes now needs to pay Miss P in addition to the £381 it cost her to take out a new home emergency policy to cover her boiler repairs.

### **My final decision**

I uphold this complaint. Great Lakes Insurance SE now needs to pay Miss P £550 compensation for the reasons I've set out above. It should also reimburse her £381 for the cost of taking out another home emergency policy – if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 2 September 2021.

Amanda Scott  
**Ombudsman**