

The complaint

Mrs B complains about how U K Insurance Limited (“UKI”) handled her claim under her home emergency cover on her landlord insurance policy.

What happened

Mrs B had a landlord insurance policy that was underwritten by UKI, for a property she owns and rents out. In April 2021 one of her tenants contacted her to make her aware of a problem with the boiler. She made a claim under the home emergency section of the policy and UKI sent out a contractor the following day who confirmed it required two replacement parts. It took over a week for the parts to be ordered and the fix to be completed.

Shortly after this, the boiler stopped working again. Another engineer was sent out who said the boiler was likely beyond economic repair. However when Mrs B called UKI, it told her that some further parts could be replaced in order to fix the problem, but that this would take a number of days to complete.

Mrs B was concerned about her tenants who had been intermittently without hot water throughout this time. Due to the delays she’d already experienced, Mrs B decided to replace the boiler instead of waiting further.

She subsequently made a complaint to UKI. She said she’d spent over £2,000 on a new boiler when it should have been repaired by its engineer in a reasonable time. She also said she thought the first engineer had caused the further problems when he carried out the first fix. And if he hadn’t, she wouldn’t have had to pay for a replacement.

UKI upheld her complaint and offered £175 compensation to make up for the poor service she had received. However it said a replacement boiler isn’t covered under the policy and it could have carried out a further repair if she had been prepared to wait. So it didn’t agree it should cover this cost.

Mrs B didn’t agree and brought her complaint to this service.

Our investigator considered everything and recommended UKI pay an additional £90 to cover the rent deduction Mrs B had given her tenants. However he didn’t agree that UKI should pay for a replacement boiler as he said there wasn’t any evidence to show that the first engineer caused the later problems. And a replacement wasn’t covered under the policy.

UKI accepted our investigator’s opinion and agreed to pay the additional £90. However Mrs B didn’t and asked for the complaint to be reviewed by an ombudsman.

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 agree with our investigator’s outcome and recommendation for how UKI

should put things right. I've explained why below.

It's clear that there were delays in UKI rectifying both the first and second problem with the boiler. The first was reported on 13 April and fixed on 23 April. The second was reported on 26 April and UKI said no repair was possible until the following week. During this time Mrs B had to repeatedly chase UKI for updates and answers.

Considering the section of the policy the claim was made under was for home emergency, I think it's reasonable to expect the problem to be fixed more quickly than it was. And the fact it wasn't, caused Mrs B the inconvenience of chasing UKI and the worry of knowing her tenants were without regular hot water.

UKI has offered £175 compensation to make up for the distress and inconvenience these delays caused and I think this is fair and is in line with what this service would have recommended had it not.

However Mrs B has advised that due to the problems she offered her three tenants a £30 rent reduction each for the time spent without hot water. As UKI delayed the repairs, I think it's reasonable that it reimburses Mrs B the £90 she lost out on in rent payments.

Mrs B has said that UKI's first engineer caused the later problems. And due to this, it should reimburse her for the replacement boiler. However I've not seen any evidence to show the first repair caused the second problem. The parts that needed replacing were different for both repairs, so this suggests the first repair was successful. And UKI's engineer has advised that due to the age of the boiler often replacing one part will impact other older parts just due to their age. I've seen nothing to suggest this expert opinion is incorrect.

Further, UKI advised Mrs B that they could repair the boiler under the policy but it would mean another wait for the parts to arrive. And Mrs B decided to replace the boiler instead.

As a replacement boiler isn't covered under the policy and UKI offered a fix, I think it did all it's required to do under the policy. And it wouldn't be fair to ask it to pay for a replacement.

My final decision

For the reasons I've given, I uphold Mrs B's complaint and require U K Insurance Limited to pay her:

- £90 to reimburse the rent she missed out on due to the issues with the boiler.
- The £175 compensation it offered, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 4 March 2022.

Sophie Goodyear
Ombudsman