

The complaint

Mr A complains that Astrenska Insurance Limited mishandled his claim on a landlord's home emergency insurance policy.

Where I refer to Astrenska, I include engineers and others insofar as I hold Astrenska responsible for their acts or omissions.

What happened

Mr A had a property with a gas central heating boiler. He let the property to a tenant. Mr A had a policy to cover emergencies including breakdown of the central heating system. Astrenska was the insurance company responsible for dealing with any claim.

On 30 January 2021, the tenant reported that the boiler wasn't working properly. Mr A called Astrenska for help under the policy. Astrenska visited the property and got the boiler working but said it would need a new fan.

After some delay, Astrenska visited the property again on 24 February 2021 and on 26 February 2021 when it replaced the fan.

On 4 March 2021, Mr A told Astrenska the heating was intermittent. Astrenska visited again on 6 March 2021. It said the system needed a power flush. Mr A complained to Astrenska that it had misdiagnosed the problem.

Astrenska cancelled an appointment for a visit on 15 March 2021.

On about 17 March 2021, Mr A's engineer replaced the room thermostat and the cylinder thermostat for £160.00.

By a final response dated 21 March 2021, Astrenska apologised for the missed appointment.

On about 15 April 2021, Astrenska reimbursed Mr A £160.00.

By another final response in May 2021, Astrenska upheld the complaint, saying that Mr A had a successful repair completed which did not require a power flush, contrary to Astrenska's diagnosis. It offered £70.00 compensation.

Mr A brought his complaint to us in late July 2021.

On 1 September 2021, Astrenska told us it was making an increased offer of £200.00.

Our investigator recommend that £200.00 was a fair offer and made up for the distress and inconvenience caused by the delay and misdiagnosis.

Mr A disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- Astrenska offer £40.00 for the first 48 hours if they cannot fix the issue.
- The engineers Astrenska sent out made an incorrect diagnosis and also would not come back to rectify.
- He had to take time out to source a local contractor and oversee the repairs.
- In the cold weather, the tenant had no services for 23 days.
- He had to discount the tenant £300.00 due to the issues.
- He was heavily inconvenienced.
- He does not see how £200.00 is a reasonable amount for this.

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.

The policy terms included the following:

“Section 4 –Domestic Central Heating Systems

*The **insurer** will provide cover in respect of an **emergency** which has arisen from the sudden and unexpected failure of **your domestic central heating system**. The **emergency** must render the **domestic central heating system** inoperable and the failure has to be due to mechanical or electrical failure or malfunction of the **central heating system**.*

***We** will undertake to obtain spare parts as quickly as is reasonably possible. In the event it takes more than 48 hours to achieve this from the first point at which **our approved engineer** visits **you** and diagnoses the requirement **we** will pay a fixed benefit of £40 toward providing alternative heating for **your** tenants.”*

So I accept that the policy terms required Astrenska to pay a fixed sum of £40.00 if, after the first visit, it took more than 48 hours to obtain spare parts. That was a fixed benefit under the policy of £40.00 for the first 48 hours. It wasn't a rate of £40.00 for each 48-hour period.

The policy excluded the removal of sludge (for example by a power flush).

Astrenska has said that Mr A's central heating system is over 20 years old. And I find it likely that an older system would suffer from more than one fault.

I've no reason to doubt that the boiler needed a new fan. But I hold Astrenska responsible for some delay in replacing the fan in February 2021.

The boiler hadn't been working because it needed a new fan. I find that after Astrenska replaced the fan and got the boiler working again, there were thermostat issues within a week.

On about 6 March 2021, Astrenska said the system needed a flush as well as a new cylinder thermostat.

Mr A disagreed about the flush. And he was put to the trouble of finding an engineer to replace the cylinder thermostat – which Astrenska should've covered under the policy. From

what he's said, the tenant was again without reliable heating and hot water until about 17 March 2021.

Astrenska later acknowledged that Mr A's engineer did a successful repair by replacing the cylinder thermostat (and a room thermostat) without flushing the system. So it reimbursed the cost of £160.00.

I haven't seen any tenancy agreement between Mr A and his tenant. But most such agreements would require the tenant to pay the rent without any deduction. Whilst I can see why Mr A might want to allow his tenant a discount, I don't consider that he had any legal obligation to do so. For that reason, I don't find it fair and reasonable to say that Astrenska caused Mr A a financial loss of £300.00.

I accept that Astrenska caused Mr A some wasted time and some upset in chasing up Astrenska and in finding his own engineer. I find it likely that Astrenska also caused Mr A some difficult conversations with his tenant.

Putting things right

I've thought about how much compensation I would've found fair and reasonable for such distress and inconvenience if Astrenska hadn't made its offer of £200.00. And I'm satisfied that the figure of £200.00 is fair and reasonable.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Astrenska Insurance Limited to pay Mr A (insofar as it hasn't already paid him) £200.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 April 2022.

Christopher Gilbert

Ombudsman