

The complaint

Mr H is unhappy with how Inter Partner Assistance SA (IPA) has dealt with his claim made under his home emergency insurance policy.

What happened

The background to this case is well known to both parties and has been summarised by our investigator in her view of the complaint, so I won't repeat it here in detail.

Briefly stated, Mr H made a claim on his home emergency cover in April 2021 because his home was without hot water and heating. During the process of the repairs Mr H says IPA's engineers had damaged his boiler and hadn't correctly diagnosed the initial fault.

IPA disagreed so didn't carry out further repairs to the boiler. Mr H provided an independent report as to the cause of the damage. IPA accepted the damage was most likely caused by its engineers. However, in the meantime Mr H replaced the boiler with a new one which he says was only necessary due to the damage caused by IPA's engineers. IPA offered Mr H £150 compensation. Mr H didn't consider that the compensation offered was sufficient and brought his complaint to our service.

Our investigator's view was that IPA should do more to compensate Mr H. But as the boiler had been replaced with a new one she didn't think it was reasonable to ask IPA to pay for it, so she said IPA should pay Mr H the following:

- £244.63 towards the likely repair costs of the damage caused to the previous boiler
- £140 towards the cost of the independent report plus 8% interest from when Mr H paid for it
- £150 compensation IPA had already offered for the distress and inconvenience caused

IPA agreed, but Mr H considered that this amount didn't adequately compensate him for the inconvenience caused by IPA's actions. Mr H says the only reason he needed to get a new boiler was because of IPA's actions so didn't feel it was betterment and he feels he should be compensated significantly more towards the replacement cost. He asked for his complaint to be referred to an ombudsman, so it was referred to me to make a final 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've decided to uphold the complaint and I largely agree with the conclusions reached by the investigator. I'll explain why.

There's no dispute now that the damage to the boiler was most likely caused by IPA's appointed engineers. IPA have accepted this. So the main issues outstanding here are:

- whether the original repair was correctly diagnosed,
- if IPA should pay towards any further costs that may have been incurred in repairing the old boiler e.g. to the flue, and
- whether IPA should pay more compensation towards Mr H's new boiler costs.

Diagnosis

Mr H says when IPA's engineers initially diagnosed the issues with the boiler it wasn't done correctly, and it wasn't in line with the manufacturer's guidance. Mr H says this left him worse off because IPA ultimately replaced the wrong part which then led to the damage to the spigot/elbow. So he feels if the correct part had been initially diagnosed it wouldn't have led to the damage to his boiler and the need for him to pay for a replacement.

I understand Mr H's frustrations with this, but IPA's engineers were the experts looking at this issue, it was for them to diagnose and decide on how they best thought to repair the issue with the boiler. Whilst I appreciate Mr H's plumber may have diagnosed it differently that doesn't necessarily mean what IPA's engineers did was incorrect. And it's not uncommon for there to be a number of connected issues and for engineers to use a process of elimination to get to the root cause of the issue.

Mr H's own plumbers report says *"you might have had more than one problem with the boiler...I would have started with the electronic panel...but to do that you need to contact the technical team...and minimise the problems one by one"*.

So I'm satisfied that IPA didn't act unreasonably in the way it diagnosed the initial issue with the boiler, although that doesn't necessarily mean that there weren't still other issues with it that may have needed looking into.

Possible further damage to boiler

Mr H says the damage caused to the boiler by IPA's engineers would have led to further problems and resulted in more costs for him. Mr H decided to have the boiler replaced instead of potentially incurring further repair costs. I can understand Mr H's concerns and from the information provided by Mr H's plumber it says the flue *"could easily get damaged"*.

But it was only a possibility that the flue may have been damaged and as no attempt was made to repair the boiler, I'm not satisfied that the flue definitely would have been damaged during the repair. So in the circumstances I can't fairly ask IPA to compensate Mr H for something that might not have happened.

Further compensation

IPA offered £150 compensation to Mr H for the poor service provided but Mr H didn't agree. He said IPA should pay for the overlimit payment for the initial repair, the independent engineer's report and for his new replacement boiler.

Subsequently Mr H and IPA both provided quotes on what it may have cost to repair the boiler. The quotes were significantly different with IPA suggesting it would cost £130 for parts and labour but Mr H's plumber quoting £690 for the same. So I've considered the information provided by both parties on this.

From the information provided the parts would most likely have cost £24.43 and not £210 as suggested by Mr H's plumber. I've also considered the difference in the labour cost suggested by both parties, it's likely that IPA's labour costs would have been provided on a discounted rate that it would benefit from, so I think the hourly rate provided by Mr H's

plumber is a fairer option, in these circumstances.

There is also a dispute about the time the repair would have taken with IPA suggesting it would only take one hour 30 minutes, but Mr H's plumber says it would take the best part of half a day. The investigator suggested two hours would be reasonable and I agree. I say this because I can't be certain of the time that it might have taken to carry out the repair but on balance I think two hours is fair in the circumstances taking into account what has been quoted by both Mr H's plumber and IPA.

I appreciate Mr H feels that had it not been for the damage caused to his boiler he wouldn't have had to get a new one. But no attempt was made by Mr H to get it repaired. I don't think it's fair or proportionate to the nature of the damage to expect IPA to pay for a new boiler to replace the old one. Mr H's boiler was at least 15 years old, so I think asking IPA to pay for a new replacement would result in betterment.

If things had gone as they should have, I'd have expected IPA to repair the boiler and not to replace it with a new one or to pay a significant cost towards replacing it with a new one. So I think the fair thing to do here would be to ask IPA to pay the cost of the repair, because I can't be certain that the repair would have resolved all the issues with it and it's likely Mr H would have incurred some further costs in repairing it, as he'd already reached his policy limit.

Mr H says he would like a meaningful apology and for us to ask IPA to confirm what actions they are taking to correct business practices. I must be clear here our role isn't to tell businesses what policies and practices they should use, that would be the role of the regulator. But I do think IPA should issue Mr H an apology for the trouble and upset caused by the poor service provided.

I understand Mr H will be disappointed with my decision. And while I think IPA should do more to compensate Mr H, I don't think it needs to cover the costs to replace the boiler.

Putting things right

Mr H paid £140 for the independent plumber's report so in light of my findings above I think IPA should reimburse him the amount he paid for the report.

IPA have acknowledged the damage to the spigot/elbow was caused by its engineers so IPA should pay Mr H the amount it would have cost to repair the damage. As mentioned above IPA should pay Mr H £240 for labour costs and a further £24.43 for parts.

IPA should also write Mr H a letter of apology for the poor service and pay Mr H £150 compensation for the trouble and upset caused.

My final decision

For the reasons I've given above, I uphold Mr H's complaint and direct Inter Partner Assistance SA to do the following:

- pay Mr H £140 to reimburse him for the cost of the independent plumber's report. Plus 8% simple interest from the date he paid for the report to the date it makes the payment*
- pay Mr H £264.43 in compensation for the damage caused to his boiler comprising of £240 labour costs and £24.43 for parts.

- pay Mr H £150 for the trouble and upset caused by its poor service if it hasn't been paid already
- write to Mr H to apologise for its poor handling of the situation, and for not sorting it out more quickly when he complained

*If Inter Partner Assistance SA considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr H how much it's taken off. It should also give Mr H a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 21 July 2022.

Jag Dhuphar
Ombudsman