

The complaint

Mr E complains that AWP P&C SA (AWP) unfairly declined his claim under his Home Emergency policy.

What happened

Mr E had a home emergency policy with AWP. The policy provided cover for a number of home emergencies, including problems with the “primary heating system”. The cover started on 1 December 2020.

On 11 February 2021 Mr E noticed that his central heating boiler had suddenly begun to make a loud noise. As an experienced mechanical engineer, he said he diagnosed that the problem was linked to the boiler fan. And felt that if he left it running it was likely to fail soon, with the possibility of serious consequential damage beyond what he thought was the damaged part. Mr E said he understood that he had a duty to mitigate the damage to his boiler. So felt that if he had allowed the boiler to continue to operate, he would’ve failed in this duty. So he turned the boiler off to prevent additional damage.

Mr E contacted AWP the same day to make a boiler breakdown claim under his home emergency policy. AWP declined Mr E’s claim. They said the policy only provided cover following the complete failure or breakdown of the boiler.

Mr E arranged for a gas engineer to inspect the boiler. The engineer found a problem with the fan and heat exchanger. Mr E said this was the same diagnosis he had initially made and reported to AWP. The engineer completed the required repair on 16 February 2021 after the parts he needed had arrived. Mr E told this service that the gas engineer told him that he would also have shut the boiler down immediately under the circumstances.

Mr E shared the total cost of the boiler repair work with AWP.

Mr E complained to AWP. AWP didn’t uphold the complaint. In their final response letter, they apologised for taking longer than expected to respond to the complaint. They said that as there was heating and hot water on the property (before Mr E had turned off the boiler) it would not be considered a breakdown. They said they didn’t send assistance for impending or anticipated issues. AWP referenced what they said was the relevant policy booklet. They said that on page 16 it stated: “*Claims for any fault where hot water and heating are still available*” are not covered under this policy. And that was why the claim had been declined.

Mr E didn’t agree with AWP. He said that he had a different policy booklet. He said that his booklet had details about the heating system on page 14, not page 16. And that the sentence AWP had quoted didn’t appear anywhere in his copy of the booklet.

AWP didn’t reply to Mr E, so he brought his complaint to this service. He said that the boiler had failed during the coldest weather of the winter. And that he and his wife – who are both over 70 – had to buy additional electric room heaters while they were waiting for the repair. He said that the total cost of the repair work was £854.40. This was made up as follows:

- Call out to diagnose fault £60
- Replacement fan £180.40
- Labour to fit fan £60
- New heat exchanger £404
- Corrosion inhibitor £30
- Labour to fit heat exchanger £120

Mr E said he only expected his home emergency policy to cover the failed fan and its installation. He said this cost a total, including call out, of £300.40.

Our investigator felt that the complaint should be upheld. He felt that Mr E's claim fell under the definition of cover under the policy. Therefore he felt that AWP should reimburse Mr E £300.40, plus 8% simple interest calculated from 16 February 2021 until the date payment is made. And that they should pay him £100 compensation for the distress and inconvenience they'd caused.

As agreement couldn't be reached, the complaint has come to me for 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.

AWP initially provided a link to this service containing the business file. But the link provided had expired by the time the case was allocated. So our investigator requested the following information from AWP on several occasions:

Please resend the link, please ensure the file includes:

- *A timeline of events and a summary of AWP P&C SA's position on Mr E's complaint*
- *Copies of all relevant claim correspondence*
- *A copy of the relevant policy documents, including the policy wording, statement of fact and schedule of insurance*
- *Copies of relevant system/claim notes*
- *Any other evidence you'd like us to consider as part of our investigation*

AWP didn't reply to our investigator, so I've had to make my decision on this complaint solely on the basis of the limited information Mr E provided.

Having carefully considered Mr E's complaint, I agree with our investigator that it should be upheld. I'll explain why.

The policy document Mr E has shared with us is clearly not the same as the one AWP referenced in their final response letter. I don't have access to the booklet AWP referenced. And I can't be certain whether that booklet, or Mr E's booklet, is the correct one for his policy cover. However, as I've only got access to Mr E's booklet, and as I've no reason to doubt

that this is the booklet AWP provided him with, I've relied on the wording in that to make my decision.

Mr E's policy booklet said that his policy provided cover for home emergencies including the complete failure or breakdown of either the heating and/or hot-water supply provided by the primary heating system. The policy defined the term emergency/emergencies, stating:

"A sudden and unforeseen domestic situation which, if not dealt with quickly, will:

- *Make your home unsafe or insecure*
- *Damage, or cause further damage to your home or its contents*
- *Result in your home losing its main source of heating, lighting or water'*

From the evidence I have, I'm satisfied that the circumstances Mr E has described meet the definition of emergency. I say this because Mr E, an experienced former mechanical engineer, believed that if left running, the boiler would be further damaged. This would have clearly led to the loss of his home's main heating system. The gas engineer who repaired the boiler drew the same conclusion after fixing it. Therefore I consider that when Mr E heard the loud noise coming from his boiler, and correctly identified the cause of the noise, he did experience a *"sudden and unforeseen domestic situation"*.

Mr E's policy booklet doesn't contain the statement AWP referenced in their final response letter. So I don't consider it fair or reasonable for AWP to decline Mr E's claim on the basis of policy wording that doesn't exist in the booklet he was provided with. I've carefully reviewed Mr E's booklet, and I've found no exclusions listed that I consider would fairly allow AWP to decline his claim. Therefore I consider that Mr E should be reimbursed for the full cost of replacing the boiler fan. This was £300.40. As Mr E has been deprived of the use of that amount of money since 16 February 2021, AWP must also add interest to the repayment.

I can't know how long the repair work would've taken if AWP had accepted Mr E's claim when he first made it. But it's certainly possible that in declining Mr E's claim, AWP could've caused him to be without heating for longer than he would've been had they immediately accepted it. Mr E was left with no heating for five days in the winter. And he had to arrange his own repair work. The unfair declination of his claim would also have been very frustrating. Therefore, I agree with our investigator that AWP should also pay Mr E £100 compensation for the distress and inconvenience they caused him.

Putting things right

I require AWP P&C SA to take the following actions to put things right:

- reimburse Mr E £300.40

Simple interest at 8% each year should be added to this payment from the 16 February 2021 until the date of settlement.

- Pay Mr E £100 for the distress and inconvenience they've caused.

AWP P&C SA must pay the compensation within 28 days of the date on which we tell them Mr E accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

*If AWP P&C SA consider that they're required by HM Revenue & Customs to deduct

income tax from that interest, they should tell Mr E how much they've taken off. They should also give Mr E a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons given above, I uphold this complaint. AWP P&C SA must take the actions detailed in the "Putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 22 June 2022.

Jo Occleshaw
Ombudsman