

The complaint

Mr W complains about how UK Insurance Limited (UKI) handled a claim under his home insurance policy. When I mention UKI, I also mean its suppliers.

What happened

Mr W has a home insurance policy with UKI. In early January 2022 his boiler stopped working and he made a claim under his home emergency cover.

UKI sent an engineer to inspect the boiler who said they thought the gas valve was faulty. The engineer said they would return and fit a replacement.

UKI's engineer didn't come back so Mr W contacted it to chase up his claim. After contacting UKI twice, UKI said it wouldn't cover the problem due to third party interference. This was said in error.

UKI later said it couldn't cover the fault for another reason. It said because the boiler was working intermittently, it hadn't failed. So UKI wouldn't repair it under the terms of its policy.

Mr W complained about UKI's poor communication and the conflicting information he'd been given. He says the boiler requires a manual start each morning, and manual re-ignition three to four times each day.

UKI agreed its service had been poor and offered Mr W £75 for his inconvenience and stress. But UKI maintained its position that because the boiler was still providing hot water and heating, albeit intermittently, it couldn't consider the claim further.

Mr W remained unhappy so he brought his complaint to this service. Our investigator looked into it and didn't uphold it. He said UKI's policy says:

"Heating

We will pay for emergency assistance needed if the main source of heating in your home fails."

He said UKI had acted in accordance with the terms and conditions of its policy because Mr W's boiler hadn't actually failed, and just needed repair. He also said UKI's offer of £75 compensation was fair.

Mr W didn't agree with the view. He says UKI isn't entitled to refuse his claim because his boiler was working intermittently. He says this because this phrase isn't in the policy wording.

He has paid £285 for repairs and wants UKI to refund this, apologise and pay a donation to charity. Because Mr W didn't agree, his complaint has been passed to me to make a final decision.

I issued a provisional decision to give both parties the opportunity to consider things further.

This is set out below:

Mr W has a young family and I can see from his evidence that to not have a reliable, working heating system in the coldest part of the year was stressful for him and his family.

He points out that the word "fail" isn't defined in UKI's policy wording. I have thought about this carefully and I think a typical definition of it would be:

"cease to work properly; breakdown"

From the evidence I have and using the wording above, it seems clear to me that Mr W's boiler had ceased to work properly when he made a claim under his policy. The engineer who attended diagnosed that the gas valve was faulty and, according to Mr W, said they would return and fit a replacement.

That would indicate to me that UKI had accepted the claim and were in the process of providing the cover under the terms and conditions of the policy Mr W had bought.

I understand UKI's point of view when it said that the claim couldn't be covered because the boiler was working intermittently. Mr W's boiler hadn't totally ceased to work, but he has said had to manually start it up to five times every day.

So I don't think it's reasonable of UKI to maintain that the boiler hadn't failed or wasn't in the process of failing.

Mr W also says his understanding of the policy means UKI should cover emergencies where the boiler will fail, not just when it has failed. If I examine UKI's policy wording I can see this:

"Emergency - An incident in the home that happens during the period of Insurance and which needs to be dealt with quickly to avoid:

> the home losing its main source of heating, lighting or water (hot or cold)."

The cover that Mr W bought was for home emergencies and this phrase in UKI's wording seems to indicate to me that it will deal with emergencies to avoid the boiler ceasing to function entirely.

It seems to me that the hot water and heating system were not functioning correctly – so using the definition above, it had failed. Taking into account that the boiler had not completely failed (in other words, it had not completely broken down) I agree with Mr W that UKI's policy seems to say it will cover claims to avoid the possibility of the boiler completely breaking down.

So, I think it's clear that UKI's policy should have covered what was happening to Mr W's boiler and I think UKI should refund the amount Mr W has paid for repairs to it, which is £285.

Having provided the initial call-out service, and apparently having authorised the fitting of a replacement, UKI then said that it wouldn't cover the boiler because it was working intermittently. But Mr W had to chase up UKI three times to progress his claim, including being told incorrectly that the claim wasn't being covered for another reason entirely.

Given Mr W's situation with a young family, in winter and with a failed boiler, I don't think UKI's actions in handling the claim were fair and reasonable. Mr W has told this service of his stress and inconvenience during this period and he has had to arrange the repairs

himself. So I think it's fair to ask UKI to pay an additional £75 of compensation to Mr W, making a total of £150.

Responses to my provisional decision

Both Mr W and UKI accepted my provisional 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.

As both parties agreed with my provisional decision, my final decision and reasoning remains the same as in my provisional decision.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. I direct UK Insurance Limited to pay Mr W:

- £285 for the repairs to his boiler
- £150 for his stress and inconvenience. If £75 has already been paid then this can be deducted.

UKI must pay the compensation within 28 days of the date on which we tell it Mr W accepts my final decision. If it pays later than this it 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 UKI considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr W how much it's taken off. It should also give Mr W 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 W to accept or reject my decision before 5 August 2022.

Richard Sowden
Ombudsman