

The complaint

Miss L complains that she is dissatisfied with the diagnosis provided by Legal Insurance Management Ltd (LIM) when she made a claim on her home emergency insurance policy. And the service received during her claim.

There are several parties and representatives of LIM involved throughout the complaint but for the purposes of this complaint I'm only going to refer to LIM.

What happened

Miss L contacted LIM in July 2021 to make a claim on her home emergency policy after a power cut caused an electrical issue at her home. She lost power to some of the plug sockets in the living room and hall.

LIM accepted the claim and organised for its approved electrician to attend the same day. LIM's electrician reported the circuit was faulty and the wiring was very old. It reported a rewire of the four affected sockets was required. And it recommended a rewire of the whole home at the same time.

LIM's electrician was unable to provide a rewire quote for the four affected sockets and said for safety a full rewire was required.

LIM said Miss L's policy did not cover a full rewire and advised her the works would need to be completed privately and at her own cost. It said the reason for the decline of further works was due to the exclusion in the policy for gradual deterioration and/or wear and tear. LIM closed Miss L's claim.

Miss L said LIM's electrician said he could rewire just the four sockets. LIM reviewed the claim and authorised the work for the four sockets.

The work was scheduled and when LIM's electrician attended to complete this work it was found that the consumer unit was not up to standard and he said there was no earth coming into the home. The electrician said the main electricity supplier would need to attend to complete an upgrade. This was organised by Miss L. The main supplier attended and found the earth wire coming into the home.

Miss L contacted LIM's electrician to update that an earth had been found by the main electricity supplier. The electrician then said she would need a new consumer unit. The electrician also said she needed an isolator switch fitting and that she would need to organise this with her electricity supplier. Miss L had this completed.

When LIM's electrician attended again they still could not complete the job on the four sockets as the work from Miss L's electricity supplier had not been completed in a way that enabled him to do so. He left without completing the work.

As there had already been a number of visits by its electricians, to ensure it was clear of the current situation in Miss L's claim, LIM obtained a full schedule of works, both completed and

required. Within this report it stated a new consumer unit was required as it was not within the current standards. Based on this LIM declined any further work as it was not covered under the home emergency policy.

Miss L made a complaint to LIM and disputed the report and diagnosis from the appointed electrician. She said the main electricity supplier had said the consumer unit was not illegal and there was an earth wire.

LIM organised for a different approved electrician to give a second opinion. This report said that one circuit needed rewiring and the bathroom extractor fan needed replacing. It also said the consumer unit was out of date and needed upgrading. It further said the rest of the wiring to the property could be a hazard.

In October 2021 LIM confirmed to Miss L that no further assistance could be offered under the terms of her home emergency insurance policy. It advised she may be able to make a claim under her buildings and contents insurance.

As Miss L was not happy with LIM, she brought the complaint to our service.

Our investigator did not uphold the complaint. He looked into the case and said he couldn't say that LIM acted unfairly as Miss L's issue was excluded under the policy's terms and conditions.

As Miss L is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

In my provisional decision I said

It's important to note that our service can't determine how the damage to Miss L's electric occurred or what work is needed to put it right. What we have to consider is the information or opinions LIM have relied on to make their decision. In this case LIM obtained reports from two separately appointed electricians.

I reviewed the reports from both of LIM's approved electricians. Both of these reports refer to the condition of the wiring in Miss L's home as being old, faulty and potentially a safety issue. And both say the consumer unit is out of date and needed upgrading.

I am satisfied that LIM used two electricians professional opinions to make its decision on the condition of the electrics in Miss L's home. In addition it referred this case to the National Inspection Council for Electrical Installation Contracting (NICEIC). This organisation regulates the training and work of electrical enterprises in the UK. They strongly suggested a full rewire was recommended for safety.

I also looked at the report submitted by Miss L from an electrician appointed by herself. In this report it says; "No main earth from cable head to consumer unit" and "consumer unit fuses showing signs of distress". It concludes the condition is "Reasonable for its age, although improvement recommended". This electrician also stated "You have a very old arrangement of separate main switches. Considerations should be made to update with a modern consumer unit incorporating RCD's to provide increased protection against electric shock and fire."

LIM declined the claim to repair the four sockets because to complete the job a new consumer unit was required to be fitted and it said this was not covered under the terms and conditions of Miss L's home emergency policy. It could not rewire the four sockets without a new consumer unit as per the required industry standards.

LIM said the policy does not cover for general wear and tear or general maintenance. LIM said under the general exclusions section it says;

We shall not be liable for costs arising from or in connection with:

3. Any claim arising from gradual deterioration and/or wear and tear.

13. Any costs that would be more appropriately recovered under any other insurance.

22. General maintenance work or any system that has not been regularly maintained. The engineer when dealing with your system may complete a repair but diagnose that additional maintenance work is required to your boiler and/or other system in order to prevent a future breakdown. As this maintenance work is not covered under this policy it is your responsibility to have it completed."

I looked at the general exclusions and can confirm the three exclusions quoted by LIM are clearly defined.

I understand that Miss L feels she has paid for a policy for home emergencies which does not seem to cover her home emergency. But I think that LIM have fairly declined her claim on her home emergency insurance policy.

Service received

LIM agreed that its first electrician did not identify the consumer unit needed replacing on the first visit to Miss L's home. Miss L was led to believe her claim was covered due to the error. This meant Miss L had to make phone calls to and have visits from LIM's electricians to progress the claim to repair the four sockets.

Miss L said during this time she was told more than once by LIM's electricians that the consumer unit had been authorised and so she thought the work on the four sockets was going to be completed.

LIM has apologised for its error and acknowledged the frustration caused to Miss L during this time and when its claim team clarified that the claim was not accepted. LIM said feedback has been provided to the contractor.

Considering this, I think in addition to an apology, LIM should have also compensated Miss L for the distress it acknowledged it caused her by making this error. I think £250 is fair in this case.

LIM said Miss L could try make a claim on her home insurance.

Therefore, I intend to partially uphold Miss L's complaint and require LIM to pay her £250 for the distress caused by its error at the start of her claim.

Responses to my provisional decision

Miss L sent in a very detailed response in which she commented on each paragraph of my provisional decision. Much of her comments were those provided previously.

However, Miss L made new comments as follows:

- she did not organise an upgrade of the electricity supply to her home, as this was not required.
- She disputed findings of the appointed electricians. Including that the electrics were not in a state which didn't allow the second electrician to work on fitting four new sockets, that the electrician could have easily bought parts required to complete the job locally, that the reports completed includes the wiring "could" be dangerous these were

- subjective and open to interpretation.
- She repeated a number of times that LIM and its appointed electricians had told her the replacement of the consumer unit was approved.

LIM did not respond.

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.

In response to Miss L:

- I agree Miss L did not organise an upgrade of the electricity supply to her home and my provisional decision was not meant to infer this. To clarify Miss L organised for the main electricity supplier to attend to look at her supply after being requested to get an isolator switch fit by LIM's appointed electrician.
- Miss L confirms herself she has no electrical qualifications. Where there is a difference of opinion it is usual to accept that the evidence of the qualified professional is more likely to be more accurate.
- It is not in dispute that Miss L was incorrectly told the consumer unit was covered by her policy.

Based on the evidence I've reviewed I maintain my provisional decision for the same reasons I have given and I partially uphold Miss L's complaint.

My final decision

For the reasons I have given I partially uphold this complaint.

I require Legal Insurance Management Ltd to pay Miss L £250 in compensation. It must pay the compensation within 28 days of the date on which we tell it Miss L accepts my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 25 August 2022.

Sally-Ann Harding
Ombudsman