

The complaint

Mr M complains about Allianz Global Assistance (AGA) and the way they handled his claim after his boiler stopped working.

What happened

On 9 August 2021, Mr M contacted AGA to make a claim on his home emergency insurance policy, after his boiler stopped working.

AGA sent engineers to Mr M's property on two occasions, who were unable to fix the issue and advised that parts would need to be ordered. Mr M challenged this diagnosis so Allianz sent another engineer to provide a second opinion. This engineer condemned the boiler upon attendance. Mr M was unhappy with this, so he raised a complaint.

Mr M was unhappy with the length of time his family had been left without heating and hot water due to the differing diagnoses of AGA's engineers. He explained his wife and daughter suffer from Asthma and that they had to use a neighbour's showering facilities. He was also unhappy that AGA only paid him £500 towards a new boiler, which he didn't think was enough to cover the costs of a replacement.

AGA responded and upheld the complaint. They accepted the service Mr M received was below a reasonable level and offered him £75 compensation. But Mr was unhappy with this amount, so he referred his complaint to us.

Our investigator looked into the complaint and upheld it. They explained AGA had failed to respond to our service's request for information. So, they had based their investigation on the testimony of Mr M, and the evidence available. From this, they were satisfied AGA had accepted they acted unfairly in the final response. But our investigator didn't think this offer was enough to recognise the time Mr M was without heating and hot water and the impact this had on him. So, they thought AGA should increase this offer to £200.

But they didn't think they had enough information to say AGA's payment of £500 for the boiler was unreasonable. Our investigator explained payments for condemned policies are normally less than the cost of a new boiler. So, without a copy of Mr M's policy and the terms and conditions attached to this, they didn't think they could say AGA had acted unfairly. They gave both Mr M and AGA the chance to provide this document, but to date it hasn't been received.

Mr M accepted this recommendation. But AGA didn't reply. As AGA didn't reply, the complaint has been passed to me for a 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'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome

I can see AGA have already accepted they acted unfairly in their complaint response, and they offered Mr M £75 to compensate him for the upset he was caused. So, I don't think it's in dispute that AGA failed to diagnose Mr M's boiler correctly, in a reasonable amount of time. And I think it follows that this meant Mr M, and his family, were without heating and hot water for longer than they should've been. As this is accepted, I won't be commenting on this further. Instead, I've focused on the amount AGA should pay to adequately compensate Mr M for this, as this is Mr M's main area of dispute. My findings regarding this are outlined in the section below.

The other aspect of Mr M's complaint related to the payment he received from AGA, after his boiler was condemned. Mr M has explained he received £500, which he doesn't think covers the cost of a boiler replacement. But I note neither Mr M or AGA have been able to provide me with a copy of the policy document, that allows me to see the terms and conditions which should set out how much AGA should pay in that sort of situation.

So, I've had to think about what is most likely to have happened here. And in general, home emergency policies usually agree to pay a customer a set amount, dependent on the age and condition of the boiler that has been condemned. And this is very rarely the total cost of a brand-new replacement. So, without any evidence to show otherwise, I think it's most likely AGA paid Mr M the amount he should've been. And because of this, I don't think they need to do anything more for this aspect of the complaint.

Putting things right

As I think AGA's service was unreasonable, I've then thought about what I think AGA should do to put things right.

Our investigator recommended that AGA increase their offer to £200, to recognise the upset and inconvenience this caused Mr M. And I think this payment is a fair one, that falls in line with our service's approach and what I would've directed, had it not already been recommended.

I think it fairly considers the extended length of time Mr M and his family were without heating and hot water without the correct diagnosis for his boiler. I think this would've been inconvenient and upsetting, especially when Mr M became aware the first engineers had provided the incorrect advice.

But I also think it considers the fact Mr M would always have needed to replace the boiler, and that this would've taken time to arrange. I also think it factors in the time of year and the fact Mr M and his family were able to use alternative bathing facilities.

So, I think AGA should pay Mr M £200 to recognise the upset and inconvenience their failures caused.

My final decision

For the reasons outlined above, I uphold Mr M's complaint about Allianz Global Assistance and I direct them to take the following action:

- Pay Mr M £200 to recognise the inconvenience and upset he's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 September 2022.

Josh Haskey
Ombudsman