

The complaint

Mr D has complained about the service received from AWP P&C SA ('AWP') under his home emergency insurance policy.

Reference to AWP in this letter includes its agents and contractors. Reference to Mr D includes actions and representations made by his son on his behalf.

What happened

In mid-January 2021, Mr D's boiler stopped working and he contacted AWP to request that it come out to fix the boiler. He had a home emergency policy with AWP at the relevant time. An engineer attended the following day and the engineer deemed that the boiler was beyond economic repair ('BER'). Mr D was informed of this and the engineer supplied Mr D with two emergency heaters.

A day later, Mr D called AWP to understand what was happening with the boiler. AWP explained the boiler was BER and a request had been raised for a £500 BER contribution in accordance with the policy. Mr D said: - *"in the meantime presumably I must organise the replacement"*. The agent said, *"I would wait for a manager to get back to you so they can tell you what documents we'll need"*.

Mr D subsequently called AWP and explained that he'd spoken with someone at AWP five days earlier who advised not to replace the boiler, as a manager would call them back, yet there had been no call. Mr D confirmed that he'd nevertheless gone ahead and arranged for replacement of the boiler. AWP requested the relevant invoice to raise the £500 BER contribution. As a goodwill gesture for service failures, AWP offered to pay £25 in compensation and then increased this sum to £50.

Mr D raised a complaint, as he was unhappy with the information provided by AWP and said that Mr D and his wife were left without heating and hot water for nearly six days. He said that had he not chosen to ignore the business's instructions he would have continued to be without heating as he hadn't received the promised call to authorise a replacement boiler. He felt he'd been ignored for months on end and had spent hours on the phone trying to deal with matters. Mr D wished to receive a written explanation and compensation.

As Mr D was unhappy with AWP's final response, he complained to this service. Our investigator didn't uphold the complaint. She said that although APW had suggested that Mr D wait for a manager to get back to him, she didn't agree it said Mr D couldn't or shouldn't replace the boiler or to do nothing. She thought the agent was trying to be helpful in that AWP would need relevant documents to be able to make the £500 contribution and it might have helped if Mr D: *"knew what these documents were, before organising the replacement to be fitted."* As Mr D went ahead and had the boiler replaced, this in her view indicated he was aware that arranging the replacement boiler was the policy holder's responsibility.

Our investigator didn't think there was anything further AWP could have done to help to avoid the situation and that it reasonably provided two heaters. She noted AWP's explanation for the delay in dealing with the complaint. She also explained that when a

business issues their final response and refers the matter to our service, they're not expected to send any further responses. In the circumstances, our investigator concluded that AWP's offer of a £50 goodwill payment was fair and reasonable.

Mr D didn't accept the investigator's findings and the matter was referred to me to make a decision in my role as Ombudsman. In August 2022, I issued a provisional decision for this complaint and explained why I was minded to uphold Mr D's complaint as follows; -

'The key issue for me to determine is whether AWP applied the terms of the policy fairly and reasonably and whether it generally provided a fair and reasonable service to Mr D. If not, I must determine whether AWP's response to Mr D's complaint was fair and reasonable. I've concluded on a provisional basis that AWP didn't act in fair and reasonable manner in all respects and that an increased sum in compensation would be appropriate. I'll explain why.

My starting point will be the relevant terms and conditions of the policy. Under the heading: - 'what is covered...Primary heating system', it states: -

'If your boiler is beyond economical repair or replacement parts are no longer available, we will also pay up to £500 in total (incl VAT) towards labour and parts to replace the boiler, once we receive confirmation that the boiler has been replaced'.

It states: 'It is important to remember that you must phone [the relevant company]. Please do not make any arrangements yourself as we cannot refund any costs if you do not get our prior authorisation.

It also states: 'We aim to provide you with a first class policy and service. However, there may be times when you feel we have not done so. If this is the case, please tell us about it so that we can do our best to solve the problem...'

Turning to Mr D's submissions regarding his complaint, he stated that when he'd called AWP, he'd asked whether he could arrange for a replacement boiler to be installed. The response from AWP's agents was not to do so yet. Mr D said he was assured that he would be called within 24 hours. He explained that his parents were elderly and disabled. He also explained that it was freezing outdoors so they could not be left without heat. Mr D said that no one called so he called again the next day and that he had to chase. Mr D decided to proceed with the installation of a new boiler as he felt he couldn't be left without heating any longer. He said that had he not been told to wait he would have arranged for a plumber to attend earlier.

After sending the invoice for the replacement boiler, Mr D said that AWP failed to reply for a further month and: 'when doing so requested a gas safe certificate and proof of servicing of the old boiler.' This was provided promptly but he was asked for another copy three days later. He had also shown this to the engineer who originally visited.

Mr D also said that his complaint about AWP's service was not responded to for a very lengthy period. When he chased it up, AWP first offered £25 in compensation and then £50. In summary, he considered AWP's service and lack of customer care to be shocking.

Turning to what AWP have said about the matter, it considered there was no delay in deeming the boiler to be BER as the engineer attended on the day following Mr D's claim. It agreed that Mr D was informed of the BER decision following his call on the morning after the engineer's visit. It didn't consider this to be excessive as it said it could take up to 24 hours for the engineer's report to be received. AWP acknowledged that it had experienced an unprecedented number of claims and queries at the relevant time and that there was a backlog of complaints which caused delays in dealing with them.

AWP had said that it was very sorry to learn of the problems that Mr D had experienced. It said that the issues raised had been addressed with relevant parties to avoid a similar situation in future, and to help meet customers' expectations. It acknowledged that it had failed to provide a level of service that Mr D had a right to expect. It had increased its offer of a goodwill payment from £25 to £50 due to Mr D's continuing concerns.

I've considered all evidence and submissions carefully in reaching this provisional decision. I note that Mr D had made it clear from the outset that his parents were elderly and disabled. I'm satisfied that this will have placed AWP on notice that the matter required prompt and efficient handling. Having said this, boiler failures in themselves are stressful events and inevitably leave consumers without heat and hot water for a period of time whilst replacements are provided.

It is only where the handling of insurance claims adds to the stress and inconvenience that apologies and/or compensation may be appropriate. AWP acted promptly in some respects. Firstly, I'm satisfied that AWP sent its engineer promptly to assess the problem with the boiler. I'm also satisfied that the engineer's response was appropriate. There is evidence that the boiler was indeed BER and that he supplied emergency heaters. He explained that the insurance company would contact Mr D to discuss options.

I note that Mr D hadn't claimed he was unaware that he would have to organise a replacement. I'm satisfied that he was advised against doing so until he had been called by a manager. On a preliminary basis, I can understand why a policy holder would be reticent about organising a replacement boiler, in case this would in some way invalidate the claim. It is therefore likely that Mr D and his wife were without hot water and full heating for two or three days longer than necessary. I consider that the distress and inconvenience was minimised due the fact that Mr D's son decided to go ahead to arrange the work. I'm mindful however that vulnerable individuals had been left in difficult circumstances for slightly longer than necessary.

The prompt action taken by Mr D's son, will have minimised the additional distress and inconvenience caused to Mr D by AWP's failure to telephone as promised. Nevertheless, I consider that the failure of AWP to telephone to clarify and confirm next steps will have caused some additional unnecessary distress and worry in an already stressful situation. I'm also satisfied on a provisional basis that AWP took longer than was fair and reasonable to follow up any necessary documentation which it required to pay the £500 contribution due under the policy terms and conditions. I note that Mr D had needed to chase the matter. I consider that this will also have caused additional distress and inconvenience for Mr D.

With regard to AWP's failure to address Mr D's complaint in a timely manner, I note AWP's apology and explanation. I'm satisfied that AWP's apology was appropriate although I do consider that it could have provided a better explanation of service delays during the claims process itself.

In conclusion, and on a provisional basis, I consider that distress and inconvenience was caused to Mr D by AWP's communication and service failures noted above. I don't consider that this was just a one-off administrative error, where an apology alone would suffice. I consider that the repeated poor communication and delay in paying the £500 contribution would have had more than a minimal impact upon Mr D.

In the circumstances, I consider that AWP should make an increased compensation payment of £300 to Mr D, less £50 if this amount has already been made by AWP.

In my provisional decision, I asked both AWP and Mr D if they had any further comments or evidence that they wished me to consider before I made 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.

Neither Mr D wished to provide any further information or make any further points following my provisional decision.

In all the circumstances, I've concluded that the provisional decision provides a fair and reasonable outcome to the matter.

My final decision

For the reasons given above, I uphold Mr D's complaint and require AWP P&C SA to do the following: -

- To pay a total of £300 in compensation to Mr D for distress and inconvenience caused.

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

Claire Jones
Ombudsman