

## **The complaint**

Mrs X complains (also on behalf of her late husband Mr H) that AWP P&C SA mishandled a claim on a home emergency insurance policy.

Where I refer to AWP, I refer to the above-named company and I include engineers and others insofar as I hold AWP responsible for their acts or omissions.

## **What happened**

For the year from late January 2021, Mr H and Mrs X had a home emergency insurance policy under which AWP was responsible for dealing with claims.

Unfortunately, on 7 May 2021 their boiler stopped working properly. It wouldn't provide hot water. So they called AWP for help.

AWP sent an engineer on 7, 12 and 24 May 2021. On the final visit, AWP's engineer said that the boiler was beyond economical repair.

In late June 2021, Mr H complained to AWP that he had called another engineer who had fixed the boiler for £20.00, so AWP should've fixed the boiler two months earlier.

By a final response dated mid-July 2021, AWP offered £50.00.

Mr H wrote to AWP in mid-July, late August and late October 2021, when he said that his boiler was still working.

Mr H brought his complaint to us in early December 2021.

In early June 2022, Mrs X joined in the complaint to us.

In early July 2022, Mrs X told us that her husband Mr H had passed away. The investigator expressed condolences for her loss.

### *our investigator's opinion*

Our investigator recommended that the complaint should be upheld. She thought that AWP had made an error in diagnosis and that the boiler could've been fixed back in May 2021. She recommended that AWP should pay Mr H and Mrs X:

1. £200.00 for the avoidable delays caused;
2. £20.00 to reimburse the payment to their engineer.

### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mrs X and to AWP on 14 August 2022. I summarise my findings:

Mr H considered it economical to keep the boiler going. However that doesn't mean that AWP was wrong that the boiler had been "*beyond economical repair*" - as defined in the policy.

So - unlike the investigator – I wasn't minded to find it fair and reasonable to direct AWP to reimburse the £20.00. And I wasn't minded to direct AWP to pay compensation for delay or distress and inconvenience, save that it was fair and reasonable to hold AWP to its final response offer of £50.00.

Subject to any further information from Mrs X or from AWP, my provisional decision was that I upheld this complaint in part. I intended to direct AWP P&C SA to pay Mrs X (and jointly the estate of Mr H and insofar as it hasn't already paid either of them) £50.00 for distress and inconvenience.

Neither Mrs X nor AWP has responded to the provisional decision. So I see no reason to change my view.

### **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.

From the policy schedule, I see that the premium for the year from January 2021 was £43.68.

The policy covered home emergencies including failure of a boiler. Cover was limited to £1,000.00 including VAT. The policy covered a contribution of £500.00 for replacement of a boiler that was beyond economical repair.

The policy excluded the following:

*" Cost of repairing a boiler that is **beyond economical repair**.  
**We will not re-attend a boiler repair that has previously been deemed to be beyond economical repair .Your policy will continue without boiler cover until your boiler is replaced.**"*

From Mr H's letter of late June 2021, I find that on 12 May 2021, AWP had fitted a new heat flow sensor.

AWP hasn't given us enough detail of what other parts it considered necessary or their availability or cost. But on its visit on 24 May 2021, AWP said that the boiler was "beyond economical repair".

Mr H didn't really explain what happened between that visit and the end of June 2021 when his engineer got the hot water working. But he told us that his engineer turned on all the taps and so released a valve that had got stuck. So I can see why he blamed AWP for nearly two months with no hot water. That had been inconvenient for him and Mrs X, who was suffering arthritis and had to wash with cold water.

However, "*Beyond economical repair*" was a term defined in the policy as follows:

***"Beyond economical repair**  
**The point at which our tradesperson:**  
**considers the cost of parts and labour to repair the boiler is greater than our***

*estimated value of the boiler;  
considers the boiler to be in **poor condition**;  
is unable to obtain the required spare parts to complete the **emergency repair** within  
28 days."*

In turn, "poor condition" was a term defined as follows:

**"Poor condition**

*A badly maintained boiler, examples of which can be evidenced by:  
rust build up from ongoing leaks that have not been dealt with;  
genuine parts not being fitted;  
tampering by third parties that has not been carried out in accordance with the  
manufacturer's guidelines;  
sludge and scale in the system found following a water treatment test."*

I haven't seen enough evidence to say that the boiler was badly maintained or in poor condition.

Also there's not enough evidence to say that AWP couldn't have got spare parts within 28 days.

However, I can't ignore the fact that AWP's engineer or tradesman had considered that the boiler was beyond economical repair. And I find it likely that this was because he considered that the cost of parts and labour to repair the boiler was greater than AWP's estimated value of the boiler.

Mr H was fortunate to find another engineer who was skilled enough and kind enough to fix the boiler for £20.00. That was more economical than paying for a new boiler. But I find it likely that most engineers would've considered that the parts to repair the boiler would've included a replacement valve – and would've charged much more than £20.00 for labour alone.

I note that, by the time Mr H's engineer serviced the boiler in October 2021, he had to replace a faulty pressure gauge.

Mr H considered it economical to keep the boiler going. However that doesn't mean that AWP was wrong that the boiler had been "*beyond economical repair*" - as defined in the policy.

### **Putting things right**

So - unlike the investigator – I don't find it fair and reasonable to direct AWP to reimburse the £20.00. And I won't direct AWP to pay compensation for delay or distress and inconvenience, save that it is fair and reasonable to hold AWP to its final response offer of £50.00.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct AWP P&C SA to pay Mrs X (and jointly the estate of Mr H and insofar as it hasn't already paid either of them) £50.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs X and the estate of Mr H to accept or reject my decision before 10 October 2022.

Christopher Gilbert  
**Ombudsman**