

The complaint

Mr and Mrs H complain about how U K Insurance Limited (UKI) handled a claim they made under their home emergency policy.

References to UKI include its agents.

What happened

In early December 2021, Mrs H contacted UKI because of an issue with her boiler that was suspected to be due to a leak. The problem meant they had no heating or hot water at home. UKI initially told Mrs H that she would need to arrange for trace and access in order to locate the leak and help solve the problem. A few days later, UKI told Mrs H that it would arrange the trace and access instead, so she cancelled the arrangements she'd made.

In the weeks that followed, there were various issues and delays. The issues included appointments with UKI agents being cancelled without notice or explanation, a valve being fitted incorrectly and the wrong type of engineer being sent out. Mrs H was then told that UKI's agents wouldn't carry out the trace and access, despite being told, a few weeks before, that they would. This delayed the trace and access for another few weeks, with Mr and Mrs H remaining without heating or hot water.

By the time the leak was located and isolated, Mr and Mrs H had replaced their boiler which they say was out of sheer desperation to try to fix the problem. They say they were influenced by comments from the engineers regarding the leak not being visible and the possibility that the boiler was at fault.

Mr and Mrs H were left without heating or hot water for around six weeks over the Christmas period. This prevented Mrs H's elderly mother-in-law from being able to stay with them, as she normally would at that time. Mr and Mrs H decided to pay for her to stay in a nursing home so they could still see her.

After Mr and Mrs H complained, UKI offered them £750 in addition to £400 that had already been offered by their agents. Mr and Mrs H declined both offers of compensation. They didn't think this was enough to put things right. They thought UKI should reimburse them for Mrs H's mother-in-law's nursing home stay and the cost of replacing their boiler.

Our investigator thought UKI's total offer of £1,150 was fair and reasonable. She didn't think UKI needed to reimburse Mr and Mrs H for the cost of the new boiler or the nursing home stay because these weren't covered by the policy.

Mr and Mrs H disagreed with our investigator's view. So, the complaint has been passed to me to decide.

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've reached broadly the same conclusions as our investigator. I'll explain why.

I'm aware that Mrs H has raised some other concerns with UKI since bringing her complaint to our service, which mainly relate to her buildings insurance. To be clear, I will only be considering the matters that were covered in the final response letters dated 26 January (from UKI's agents) and 21 February 2022 (from UKI).

The relevant industry rules say that the insurer should handle claims promptly and fairly.

Mr and Mrs H's home emergency policy with UKI says it will pay for "*emergency assistance needed if the main source of heating in your home fails*".

UKI has acknowledged various issues with the service it provided and the associated delay in getting Mr and Mrs H's heating working. So, rather than looking to see whether there were delays, I've needed to think about the impact the accepted delays had on Mr and Mrs H. And whether or not UKI's offer of compensation is enough to put things right.

Boiler replacement

Mr and Mrs H have asked that UKI reimburse them the £2,680 they paid to replace their boiler and have their hot water tank removed. They say they decided to replace the boiler out of sheer desperation to try to fix the problem themselves. They say that there were frequent comments by the engineers UKI sent to their house like "*I don't know what is going on here but if there was a leak it would be showing itself somewhere by this stage*" and "*It would be unusual but it could still be the boiler at fault*".

Mr and Mrs H have also commented that as UKI mistakenly sent an oil engineer to their property instead of a gas engineer, and several other appointments were cancelled, UKI never ruled out the boiler as being the problem.

The policy terms and conditions say UKI "*Won't pay... to replace your main source of heating*". They do say: "*If we find out your boiler is beyond economic repair, we will pay £250 towards the cost of a new one.*" However, from what I've seen, UKI hadn't determined that Mr and Mrs H's boiler was beyond economic repair or needed replacing. And Mr and Mrs H haven't provided any firm evidence to show this was the case either.

Given the above, I'm satisfied that the terms of the policy don't require UKI to reimburse Mr and Mrs H for the cost of their boiler or to pay anything towards it.

I appreciate Mr and Mrs H were frustrated that things weren't moving forward as they should have and were desperate to restore their home's heating. While UKI might not have ruled out the issue being the boiler, it also hadn't ruled out that there was a leak elsewhere. And I haven't seen any evidence that UKI advised Mr and Mrs H to replace their boiler or agreed to cover the cost of it. So, I won't be asking UKI to reimburse Mr and Mrs H for replacing their boiler.

Nursing home cost

Mr and Mrs H have also requested that UKI reimburse them £236 that they paid for Mrs H's mother-in-law to stay in a nursing home over the Christmas period. I appreciate it was important for Mr and Mrs H to have Mrs H's mother-in-law nearby at that time of year. I understand they are her only close family in the country. I also appreciate that it wouldn't be suitable for her to stay in a house without hot water or heating, particularly given the time of year.

However, from what I've been told, Mrs H's mother-in-law doesn't normally live with Mr and Mrs H. So, she wouldn't be covered by the policy. While I understand the reasons behind Mr and Mrs H's decision to pay for her to be nearby over Christmas, this was ultimately their choice to do so. And I don't think it would be proportionate for me to require UKI to pay for accommodation for someone that doesn't usually live at the address and isn't covered by the policy. However, I have considered this issue as part of the overall impact of UKI's handling of the claim on Mr and Mrs H – because whilst I don't think it should reimburse them for nursing home fees, I do recognise the trouble and inconvenience of the situation was as a result of issues caused by UKI's handling of the claim.

Overall impact

I can see that Mrs H made UKI aware that she had hospital appointments due to a possibly serious health condition early on in the claim, and UKI noted she was vulnerable because of this. She's also mentioned having to take some time off work because of the stress. I understand that Mrs H had to stay in on more than one occasion waiting for engineers that didn't attend the property. I can also see that Mrs H spent a great deal of time and effort contacting UKI and its agents in an attempt to try to sort things out.

Mr and Mrs H had to live in a cold house and had to visit neighbours or relatives to shower for around six weeks. This would have been particularly distressing over the festive period. It was no doubt frustrating and disappointing for Mr and Mrs H when they couldn't have Mrs H's mother-in-law stay with them.

However, UKI have offered Mr and Mrs H a total of £1,150. This is in the range of what we'd expect a business to pay where its mistakes have caused substantial distress, upset and worry. This would include situations where there has been serious disruption to daily life over a sustained period, with the impact felt over many months, or there has been a substantial short-term impact. So, having considered all of Mr and Mrs H's points carefully, I think UKI's offer is a fair amount to put things right.

Putting things right

UKI should pay Mr and Mrs H £1,150 if they accept my decision.

My final decision

U K Insurance Limited has already made an offer to pay £1,150 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that U K Insurance Limited should pay Mr and Mrs H £1,150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 11 October 2022.

Anne Muscroft
Ombudsman