

The complaint

Mr W complains that Domestic and General Insurance Plc mishandled his claim on a home emergency insurance policy.

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

What happened

Mr W had a gas central heating boiler that had been installed in about 2006. In January 2021, an installer replaced its gas valve.

On about 25 October 2021, Mr W bought a D&G boiler insurance policy. Any claim under the policy was subject to an excess of £99.00. The policy provided that Mr W couldn't make any claim in the first 30 days, that is until about 23 November 2021.

On 26 November 2021, Mr W called D&G for help under the policy. He said his boiler wasn't providing central heating or hot water. D&G sent an engineer. On about 29 November 2021, Mr W paid the £99.00 excess.

On 6 December 2021, Mr W complained to D&G that the engineer was late. That evening, the engineer replaced the fan and left the boiler working. But the boiler failed again within a couple of hours.

On 8 December 2021, the engineer led Mr W to believe that he would order a gas valve and return to fit that.

But when Mr W rang D&G on 13 December 2021, it said that the policy didn't cover such a replacement because the gas valve installed in January 2021 was defective or incorrectly installed. Mr W complained to D&G about communication and refusal to complete the repair.

By a final response dated 13 December 2021, D&G said the policy didn't cover the repair. It said it would send Mr W a cheque for £140.00 as a goodwill gesture.

Mr W sent further emails to D&G on 13 and 14 December 2021. By an email dated 15 December 2021, D&G said it wouldn't reply to any further emails on the complaint.

Mr W brought his complaint to us on 16 December 2021.

On about 23 December 2021, Mr W added an update to us as follows:

- He had engaged a new contractor who had diagnosed a fault in the gas supply to the property. At his request, the gas network company had attended and confirmed that the supply pressure was extremely erratic through the failure of a pressure regulating device. The company replaced the gas meter and the regulator and prohibited use of the boiler until safety checks were performed.

- The new contractor got his system working perfectly - without the need to replace any parts.
- D&G should've done what the new contractor did.
- The new contractor charged £120.00 including VAT.
- D&G had sent him a cheque for £140.00 without explanation. He didn't cash it.

In early January 2022, Mr W filled in a complaint form setting out his updated complaint. On 24 January 2022, we sent D&G that complaint form.

D&G made submissions to us about the updated complaint.

our investigator's opinion

Our investigator didn't recommend that the complaint should be upheld. He thought that D&G had correctly applied the policy terms when they declined Mr W's claim, and the compensation paid for the delay in sending out an engineer was fair.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr W and to D&G on 12 September 2022. I summarise my findings:

The policy didn't cover any problem with the supply of gas.

By the shortcomings in its communication – D&G caused Mr W extra distress and inconvenience at an already difficult time for him. It also caused him distress and inconvenience in being without central heating and hot water for five days longer than he could've been. When he found out about the gas supply issue, Mr W was troubled by the thought of what might've happened.

D&G tried to put things right by a goodwill gesture of £140.00. But that wasn't enough in my view. I was minded to find that – instead of the cheque (which Mr W said he hadn't cashed) – D&G should pay Mr W £250.00 for distress and inconvenience.

Subject to any further information from Mr W or from D&G, my provisional decision was that I upheld this complaint in part. I intended to direct Domestic and General Insurance Plc to pay Mr W £250.00 for distress and inconvenience.

D&G hasn't responded to the provisional decision.

Mr W disagreed with the provisional decision. He says, in summary, that:

- D&G's engineer changed his diagnosis each time he visited.
- There was nothing wrong with the gas valve. They cannot withdraw from the repair for what are clearly spurious reasons. D&G were in breach of contract.
- The engineer should've checked the gas supply pressure. D&G never detected the fault with the gas supply.

- D&G sent the £140.00 goodwill payment because of the delay in the engineer attending.
- As a direct result of D&G's lack of professionalism, he was without either HW or CH from 29 November to 21 December 2021.
- He has sent us a copy of his engineer's invoice dated 22 December 2021 for £120.00 including VAT.
- D&G was dismissive of his concerns.
- He has now cashed the cheque for £140.00.

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.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. The effect of one of those rules is that a consumer must first make a complaint to the regulated firm and wait up to eight weeks for a final response before we can investigate that complaint.

Where we uphold a complaint about an unfair act or omission, we look at its impact on the complainant including distress and inconvenience as well as financial loss. We assess compensation by reference to the actual impact (including distress at the thought of what might've happened). We don't assess compensation at a level intended to deter or punish unfair acts or omissions, even if they are potentially unsafe.

I've taken into account the relevant law, policy terms, regulations and good practice. Above all, I have to decide what's fair and reasonable.

D&G's policy terms referred to the boiler as "*the product*". They contained exclusions as follows:

" Section 5: Exclusions and standard terms

General exclusions

We shall not be liable for:

...

- *any breakdown cost already covered by any manufacturer's, supplier's or repairer's guarantee or warranty on the product;*
- *replacement or recall of the product (or any part) by a supplier or the manufacturer.*

...

- *any problem with the supply of electricity, gas or water;"*

Mr W paid the excess of £99.00. But he received a replacement fan. And one of his emails indicated that he was going to claim reimbursement of the £99.00 from a previous insurer or contractor. So I don't find it fair and reasonable to direct D&G to refund him that amount.

I accept that D&G didn't communicate with Mr W as clearly as it should have. That included

its communication of the time when the engineer was expected on 6 December 2021.

I hold D&G responsible for causing delay from 8 December 2021 to 13 December 2021. I accept Mr W's statement that D&G hadn't told him that the repair had been cancelled until he rang to chase progress on 13 December 2021. I consider that this delayed Mr W engaging the new contractor. In the meantime he still had no central heating or hot water.

D&G took the stance that – after replacement of the gas valve in January 2021 - the policy didn't cover a further replacement of the gas valve later that year.

However, I find that the gas valve wasn't a problem. And I find that the gas valve wasn't a fair reason for D&G not to assist Mr W further.

Mr W complained to D&G about communication and refusal to complete the repair. D&G's final response – and its payment of £140.00 - was in response to that complaint.

After its final response, D&G declined to discuss Mr W's complaint with him any further. I understand that this was frustrating for him. But I can't say that D&G did anything wrong by standing by its final response in mid-December 2021.

The shortcomings in its communication continued through its final response and subsequent emails.

Later, Mr W found out about the gas supply issue and his complaint changed. But D&G saw his complaint form and had an opportunity to respond. So on balance, I consider that I can deal with the complaint including the update.

Mr W submits that D&G should've checked the gas supply and recognised a problem with it in late November 2021 – as his engineer did in late December 2021. In support of that, Mr W has referred to information from the boiler manufacturer.

But Mr W has said that the fault was intermittent. And in my view, neither his engineer nor the manufacturer has provided enough expert opinion evidence to show that – faced with the fault in late November and early December 2021 – D&G fell below a reasonable standard of work.

From the invoice, I accept that the new contractor charged £120.00 including VAT. But the problem with the central heating and hot water system – and the contractor's invoice – arose from a problem with the supply of gas. And the policy didn't cover any problem with the supply of gas.

So I don't find it fair and reasonable to hold D&G responsible for fixing the problem with the system – or to direct D&G to refund the £120.00.

I find it fair and reasonable to direct D&G to compensate Mr W for the five days of delay, rather than the whole period of about four weeks for which he was without central heating or hot water.

I accept that – by the shortcomings in its communication – D&G caused Mr W extra distress and inconvenience at an already difficult time for him. It also caused him distress and inconvenience in being without central heating and hot water for five days longer than he could've been. When he found out about the gas supply issue, Mr W was troubled by the thought of what might've happened.

Putting things right

D&G tried to put things right by a goodwill gesture of £140.00. But that isn't enough in my view. I conclude that – in addition to the cheque for £140.00 (which Mr W says he has now cashed) – D&G should pay Mr W a further £110.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Domestic and General Insurance Plc to pay Mr W – in addition to the cheque for £140.00 a further £110.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 17 November 2022.

Christopher Gilbert
Ombudsman