

The complaint

Mr H and Mrs H have complained about how Admiral Insurance (Gibraltar) Limited ('Admiral') dealt with a claim under a home emergency policy.

What happened

Mr H and Mrs H contacted Admiral to send an engineer to repair their boiler. An engineer visited, bypassed the fan pressure switch and the boiler started working. However, it failed again shortly after. A second engineer visited and found a range of further issues including that seals had stuck to the case, the fan was tripping and some of the wiring had failed. Mr H and Mrs H had to pay £187.20 as the repair costs went over the policy limit.

Following this, the boiler failed again. Another engineer visited and found that the PCB had blown. Mr H and Mrs H said the first engineer had caused damage by over-riding the fan switch. So, Admiral agreed to fit a new PCB for free. This didn't fix the issue. Admiral decided the boiler was beyond economic repair. So, Mr H and Mrs H replaced their boiler.

When Mr H and Mrs H complained, Admiral said the first engineer had bypassed a safety feature on the boiler. It thought this was what blew the first PCB, which it had already tried to replace. However, it said it wasn't responsible for the wider system issues. The cylinder stat had failed, which it wasn't possible to connect to the actions of the engineer. It said, given the age of the boiler and multiple parts failing, it thought it was correct to say the boiler was beyond economic repair. It offered £50 compensation for the inconvenience caused.

Mr H and Mrs H complained to this service. Our investigator upheld the complaint. She said the boiler failed a second time because of the actions of the first engineer. As the second visit went over the policy limit, Admiral should refund £187.20 that Mr H and Mrs H had to pay. She said Mr H and Mrs H were also left without hot water for 12 days before the boiler was declared beyond economic repair. So, she said Admiral should pay a total of £200 compensation.

Admiral didn't reply to our investigator's findings. So, the complaint was referred to me.

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 uphold this complaint. I will explain why.

Admiral accepted that its engineer had over-ridden a safety feature on the boiler and that this led to the PCB failing. When a second engineer visited, Mr H and Mrs H were charged for work to the boiler over the policy limit. I don't think this was fair as the boiler failed due to the actions of the first engineer. So, I think Admiral should refund Mr H and Mrs H the £187.20 they paid for the work to be completed. I think Admiral should also pay interest on that amount as Mr H and Mrs H lost use of the money. I'm aware Admiral later replaced the PCB free of charge, which I think was fair in the circumstances.

The boiler failed again and Admiral declared the boiler as beyond economic repair. Mr H and Mrs H have said Admiral was responsible for what they described as the "*catastrophic failure*" that led to them needing to buy a new boiler. So, I've thought about this.

The boiler needed to be replaced because the cylinder stat failed. I haven't seen anything that persuades me this was a direct consequence of the first engineer's actions. I'm also mindful that the boiler was about 18 years old, which I think makes it more likely that boiler issues would happen and that additional repairs would make it beyond economic repair. So, I don't think I can fairly say that Admiral was responsible for the boiler needing to be replaced and I don't require it to pay for a new boiler.

Mr H and Mrs H also said they were left without hot water for nearly two weeks. Admiral was asked to comment on this, but didn't provide any further evidence. From what I've seen, when the first engineer left, Mr H and Mrs H did have hot water, but the boiler failed shortly after, due to the actions of the engineer. The boiler was declared beyond economic repair about 12 days later. So, based on the information available to me, I think the actions of Admiral's engineers resulted in Mr H and Mrs H being left without hot water for this period of time. As a result, I think Admiral should pay Mr H and Mrs H a total of £200 compensation, which includes the £50 it previously offered, to reflect the impact on them of being left without hot water.

Putting things right

Admiral should pay Mr H and Mrs H £187.20 for the costs they paid and interest on that amount. It should also pay a total of £200 compensation.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require Admiral Insurance (Gibraltar) Limited to pay Mr H and Mrs H:

- £187.20 for the costs they paid over the policy limit.
- 8% simple interest on that amount from the date on which they first made the claim to the date on which it is refunded to them.
- A total of £200 compensation.

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 April 2023.

Louise O'Sullivan
Ombudsman