

The complaint

Mr and Mrs H complain about UK Insurance Limited (UKI) poor service, following a claim under their home emergency policy.

What happened

Mr and Mrs H contacted UKI to make a claim as their boiler had broken down. In their home were two boilers and what they describe as the main boiler developed a fault. UKI sent an engineer who was unable to fix the main boiler, but the other boiler was able to provide heating and hot water.

Mr H contacted UKI following the engineer's visit to get an update on his claim. UKI informed Mr H that as he was left with heating and hot water, there was no longer an emergency, and they would be unable to send an engineer for any follow up appointment. Mr H disputed this as he said that the main boiler remained faulty and the temperature control was on the main boiler and not the second boiler, so he was unable to control the second boiler.

Mr H also said that he required the engineer to return in order to install a thermostat to the second boiler so that he was able to control it. Mr H did state that he had heating and hot water albeit he had to manually operate the boiler, due to the controls being on the other broken-down boiler.

During the claims process UKI offered and found alternative accommodation, this was because Mr and Mrs H said that they had been left without heating and hot water. But Mr and Mrs H declined the offer as they felt the accommodation wasn't suitable due to being far away from their home, than they would've liked.

Mr H raised a complaint to UKI given the level of service and that he believed that the engineer hadn't properly fixed the boiler. A manager called Mr H back and told him that controls were covered and a return visit would be made. But, when Mr H contacted UKI again, he was told that no return visit would be made as controls were not covered under the policy, in addition, the boiler was over 10 years of age and had been deemed beyond economic repair (BER). So for these reasons there was no cover available.

Ultimately, Mr and Mrs H contacted an independent engineer who attended and condemned the boiler. The report from that engineer stated that the boiler was in an unsafe and immediately dangerous condition. They said that they had to get an emergency engineer to attend in order to connect an immersion heater, at a cost of £228. And they felt that had the original engineer carried out the work or found a resolution sooner, they wouldn't have had to take time off of work, which meant that they lost earnings.

Mr and Mrs H felt that the original engineer had carried out poor work and failed to repair their boiler. So, they complained to UKI and asked it to reimburse the cost of the engineer who connected the immersion heater at £228, the loss of earnings of at £2,870. As well as replacing the two boilers in their home at a cost of £8,100.

In its final response, UKI said that the boiler that was faulty had extensive damage and was found to be over 10 years old. And because the boiler was deemed BER, there was no cover under the policy. And no cover due to its age.

UKI accepted that Mr and Mrs H had been given incorrect information during the claims process. And because of this error it offered to pay compensation of £40. Mr and Mrs H weren't happy with this resolution. And as they were given their referral rights, referred a complaint to our service.

One of our investigators considered the complaint and thought that UKI should increase the level of compensation by a further £60 (to make a total of £100). She said that given the impact on Mr and Mrs H and their young family, due to having no hot water or heating. And that UKI hadn't pointed out to Mr and Mrs H that they were eligible for alternative accommodation, it was fair that UKI increase its offer.

UKI accepted the view, Mr and Mrs H did not. They said that they were without heating and hot water for three days and not offered alternatives. They felt that the £100 wasn't an appropriate reflection of the fact that the UKI engineer had left their boiler in an impossible condition to diagnose. So, they asked for a decision from an ombudsman.

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 will uphold this complaint, but for much the same reasons as our investigator, which I understand is likely to be a disappointment for Mr and Mrs H, but I hope my findings explain why I think this is fair.

I have considered the policy terms and conditions and the comments made by both parties.

Mr and Mrs H said that had UKI's original engineer carried out the work correctly, they wouldn't have had to take time off of work, pay for an immersion heater to be connected, and ultimately replace the boilers. They believed that the compensation that UKI has now agreed to pay, namely £100 for the trouble and upset caused, was not sufficient in the circumstances. So, I think the level of compensation is the main issue of this complaint. And I've concentrated my findings on this.

Mr and Mrs H contacted UKI when they experienced issues with one of their two boilers. UKI sent an engineer and I understand that Mr and Mrs H were less than impressed by the condition that the engineer left their boiler in. So much so, that they instructed an independent engineer, who effectively condemned the boiler. Mr and Mrs H said that they were without heating and hot water for a total of three days, which wasn't pleasant given that they had a young family, and this event happened during the winter months. In addition, they said that they had to move out of their home, while the new boilers were installed.

UKI, said that its engineer capped off the faulty boiler and disconnected the temperature control, to allow the other boiler to work. It also said that the engineer left Mr and Mrs H's home with heating and hot water. So, no temporary heating was left with them.

Mr H contacted UKI after the engineer had left for an update on the claim. He was informed that there wouldn't be a return visit as he had been left with heating and hot water. Mr H raised a complaint and was later provided with the copy of the engineer's report. He said that

the report disclosed that he was left with heating and hot water, when that hadn't been the case.

It was during this contact with UKI, that he was erroneously informed that the policy covered the controls, which gave him the expectation that a return visit would be made. Mr H later contacted UKI to inform them that there was now a complete loss of heating and hot water. And as a result, UKI offered alternative accommodation, which was declined by them.

UKI then sent a further engineer who reported that there were two boilers at the property. One had been capped off and the other was functioning to provide heating and hot water, albeit much slower than before. UKI also found that the capped off boiler had extensive damage and deemed it BER, as well as confirming that the boiler was over 10 years old. UKI informed Mr and Mrs H that due to these issues, the policy wouldn't provide cover.

I have reviewed the terms and conditions of the policy and it does state that boilers that are deemed BER and are over 10 years old are not covered. I can't see that Mr and Mrs H provided any evidence to refute the age of the boiler. In any event, they agreed that the boiler had been deemed BER (not least by the independent engineer as well). UKI's engineer made the other boiler useable, albeit on a much slower operation. Consequently, under the policy, it wasn't obliged to carry out any further repairs, as the emergency was completed. And as there was some form of heat, no temporary heating was required.

Mr and Mrs H accepted that they were offered alternative accommodation but said that the offer came too late and was too far away from their home. Under the policy, if the home is deemed to be uninhabitable (as UKI deemed it, due to the lack of utilities), then alternative accommodation is offered.

Based on what I've read and listened to, I'm satisfied that UKI offered and booked alternative accommodation, including finding accommodation that was suitable for pets. I understand that the accommodation found wasn't suitable for Mr and Mrs H, but I think UKI complied with its obligations under the policy.

Nevertheless, I think that UKI did make errors during the claim. It accepted that Mr and Mrs H were given incorrect information regarding cover for the boiler controls. But, in addition, call records all of which I have listened to, Mr and Mrs H had on several occasions called UKI for updates on when they would have a return visit – primarily due to the incorrect information they had been given.

I'm satisfied that this would have caused some distress and inconvenience. The impact of which lasted a few days and I think there was a loss of expectation. For those reasons and in line with our guidance, I think that the £100 (that UKI has accepted to pay) is a fair level of compensation.

I understand that Mr and Mrs H are seeking a far greater sum, as well as loss of earnings, reimbursement of costs for the immersion connection, and reimbursement for the new boilers installed. But I haven't been provided with any proof of earnings, and I must point out that the policy that Mr and Mrs H hold does not compensate for loss of earnings. That is, it's not something they are entitled to claim for under their contract of insurance. And I must also say any home emergency is going to involve a homeowner in some inconvenience including, almost inevitably, taking time off work for an engineer to come in and put things right. Accordingly, I don't think it's fair or reasonable to ask UKI to reimburse their loss of earnings.

Turning to the reimbursement for the connection of the immersion heater and for the new boilers installed. My understanding is that UKI had ultimately left Mr and Mrs H with heating and hot water (albeit I accept that the system wasn't running as quickly as it previously had

and had to be manually operated as Mr H said). But as the boiler was over 10 years old, it wasn't obliged to carry out any further repairs (like connecting it to the immersion). And wouldn't have reimbursed for new boilers as this too wasn't permitted under the policy. So, I can't agree that UKI should reimburse those costs.

Taking all the circumstances into consideration, whilst I understand how disappointed Mr and Mrs H will be, I think that UKI was fair to agree to increase the level of compensation to £100, for the trouble and upset caused. I don't think it's reasonable for UKI to reimburse for either the loss of earnings, the installation of the new boilers or the immersion heater connection work.

Putting things right

Consequently, to put matters right, I direct UKI as below.

My final decision

For the reasons given, my final decision is that I uphold this complaint.

UK Insurance Limited to pay Mr and Mrs H £100 compensation (if it hasn't done so already) for the distress and inconvenience caused.

UK Insurance Limited must pay the above amount within 28 days of the date on which we tell it Mr and Mrs H accept my final decision. If it pays later than this, it must also pay interest at 8% a year simple on the above amount, from the date Mr and Mrs H accept my final decision, until it is paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 6 July 2023.

Ayisha Savage
Ombudsman