

## **The complaint**

Mr and Mrs H complain about the way that Admiral Insurance (Gibraltar) Limited dealt with their Home Emergency claim in respect of a leaking boiler, and of consequent damage due to the delay in repairing it. The claim was dealt with on Admiral's behalf by loss adjusters although for convenience I shall refer to Admiral throughout.

## **What happened**

In late January 2022 Mr and Mrs H noticed that their boiler was leaking. Mr H reported this to Admiral, and an engineer was sent out. The engineer identified the problem but they didn't have the part at hand to fix it. They also said that the boiler was at risk as it didn't meet safety standards. This related to missing flue brackets and a fire plate. The leak continued and Mr and Mrs H had to place buckets under it to catch the water.

Mr and Mrs H expected to be contacted again the same day, but heard nothing further. Mr H chased up for a reply and also advised Admiral that the engineer had broken the catch on his loft hatch cover. He was eventually told the late the next day (Friday) by Admiral that it couldn't fund the required repair due to "Industry-recognised standards not being met". It nevertheless said that it would find out from the engineer whether the fixing of the "at risk" items would mean that the repair would be covered. It said that Mr and Mrs H could appoint a contractor and present the invoice for reimbursement.

The weekend intervened, and the report had still not arrived on the Monday. Mr and Mrs H were concerned that the leak was getting worse and had started to affect the dining room ceiling. They found a contractor to repair the boiler, which was carried out on the Wednesday. The cost was £120. Mr and Mrs H also said they were told by the contractor and by the boiler manufacturer that the brackets/fire plate for the flue didn't need to be fitted by a registered engineer. I understand that Admiral received its engineer's report the next day and contacted Mr and Mrs H who advised it the repairs had been carried out.

Mr and Mrs H made a complaint to Admiral. They asked for the reimbursement of their costs. Mr H also said he had repaired the loft hatch and wanted reimbursement for that. He pointed out that the leak had caused damage to the dining room ceiling and the lath and plaster wall around the boiler.

Admiral said that the engineer had offered to drain down the system but that Mr and Mrs H had declined the offer. It further apologised for not sending the engineer's report, for causing confusion about who to address the complaint to and for failing to update them about the engineer's report on the Monday. For this it offered £100 compensation, which Mr and Mrs H declined.

Admiral further said that it was reasonable for it to decline to deal with the repair until it received further information from its engineer, and that it had no liability for the consequent damage to the dining room ceiling or the lath and plaster wall. It also said that under the terms of the policy it will settle a claim either by arranging an emergency contractor or on a reimbursement basis. It said Mr and Mrs H hadn't sent it sufficient evidence about the assertion that the issues with the boiler could be repaired without the need for an engineer,

or of the damage to the loft hatch.

Mr and Mrs H rejected the offer of compensation. They further said that at no stage had the engineer offered to drain down the system or advise them of the consequences of leaving the leak unrepaired. They also said it was unreasonable to expect them to provide evidence of the content of the telephone call with the boiler manufacturer.

On referral to the Financial Ombudsman Service, our Investigator said that Admiral should pay for the cost of repair to the boiler, on receipt of an itemised invoice, and that the £100 compensation offered by Admiral was reasonable. Admiral later agreed to pay the cost of the repair to the loft hatch. They said however that Admiral wasn't liable for the damage caused by the leak as this wasn't covered under the Home Emergency policy.

Mr and Mrs H pointed out that they had sent the itemised invoice. They felt that as Admiral was responsible for the damage caused by the leak, they shouldn't have to make a further claim on their home insurance.

I issued a provisional decision. I essentially agreed with the Investigator's view, but my findings concerning the potential liability of Admiral for the consequent damage, were different.

Admiral accepted my provisional findings.

Mr and Mrs H did not respond to those findings.

### **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.

My provisional findings are set out below, in italics:

#### *"claim handling"*

*The engineer came out on the same day that Mr and Mrs H made the claim. Their report said that the boiler was "at risk" because the flue wasn't attached by brackets and there was no fire guard. So they couldn't carry out the repair before Admiral said there was policy cover.*

*I think Mr and Mrs H expected the engineer to return the same day with the relevant part and carry out the repair. Admiral's reason for not immediately carrying out the repair was because of the boiler being at risk and therefore not complying with industry recognised standards. Yet I think it took far too long to establish whether the at risk items could be repaired and then the actual repair carried out. I appreciate that it was in the hands of its engineer, but the report was very brief and it took a while before it could establish whether it was liable for the repairs.*

*Admiral did tell Mr and Mrs H, albeit after Mr H did lot of chasing around, that they could get a contractor and be reimbursed. This was late on the Friday, but Mr and Mrs H did then have the option to do that. And I note that they did have heating and hot water in the meantime. The terms of the policy say that it will "arrange for one of our authorised contractors to get in touch with you to make an appointment, or settle your claim on a reimbursement basis." So I think Mr and Mrs H were given a poor service over whether it would do the repairs but on the facts of this case, I think the compensation offered for this, of £50 was reasonable.*

### loft hatch

*Admiral has agreed to pay for this – the cost is £5 and will be added, with interest, to the amount it pays for the boiler repairs. Mr and Mrs H don't need to show proof of payment.*

### cost of repairs

*Admiral should clearly have paid the cost of the repairs. Mr and Mrs H sent it the contractor's bill well over a year ago. I think it gave clear details of the repair and it is in the name of a Gas Safe registered contractor. It should add interest to this invoice payable from the date paid until reimbursement.*

### liability for the consequent damage

*I appreciate that the policy doesn't cover loss or damage caused by the emergency. But Admiral might still be liable if its engineer caused the damage. The engineer's report says that they offered to drain the system, which Mr and Mrs H didn't want, as it would have left them without heating or hot water. But they vehemently deny that the engineer offered to do this. At the time, the boiler was leaking but buckets were catching the water. So, whether or not the engineer offered to drain the system, bearing in mind it was late January and Mr and Mrs H have small children, it seems likely to me that they would have opted to put up with the inconvenience of monitoring and emptying buckets rather than going without heating and hot water. And I bear in mind that at the time Admiral offered for them to use their own contractor, no other damage was occurring, or at least none that was visible.*

*Mr and Mrs H tell us the damage is to the dining room ceiling which requires redecoration and the lath and plaster wall surrounding the boiler. However we also don't know when exactly the boiler started leaking. I can't say that it's likely that Admiral's contractor was responsible for the water damage. Mr and Mrs H will have to make a claim on their home policy if they want this dealt with by insurance.*

### other compensation

*I understand that Admiral also offered to pay £25 compensation for Mr and Mrs H not being advised clearly about who to address their complaint to, and £25 for the failure to send them the engineer's report. This makes total compensation offered of £100, which I think is reasonable."*

As Admiral accepts those findings and as Mr and Mrs H haven't responded, I remain persuaded by my findings. These are now final and form part of this final decision.

### **Putting things right**

Admiral should pay £120 for the repairs to the boiler and £5 for the loft hatch, a total of £125.

It should add simple interest\* at 8% per year from the date Mr and Mrs H paid for those items until reimbursement.

Admiral should also pay £100 compensation.

\*HM Revenue & Customs may require Admiral to deduct tax from any award of interest. It must give Mr and Mrs H a certificate showing how much tax has been taken off if they ask for one.

### **My final decision**

I uphold the complaint and to require Admiral Insurance (Gibraltar) Limited to provide the remedy set out under “Putting things right” above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr and Mrs H to accept or reject my decision before 2 June 2023.

Ray Lawley  
**Ombudsman**