

The complaint

Mr W complains about the way QIC Europe Ltd handled a claim under his home emergency insurance policy.

Where I refer to QIC, this includes the actions of its agents and claims handlers for which it takes responsibility.

What happened

The detailed background to this complaint is well known to both parties, so I only intend to provide a brief summary of the key events here.

- In December 2022, Mr W's boiler broke down leaving him with no heating or hot water. So he contacted QIC to make a claim under his home emergency insurance policy.
- QIC said that due to an influx of claims and the time of year, it didn't have any contractors available to attend Mr W's property. It advised him to find a local tradesman to carry out the work to ensure the problem could be dealt with promptly, and to send the invoice to QIC for payment.
- Mr W says he called about ten plumbers, who did a diagnosis over the phone. And two plumbers attended his property. All plumbers said they wouldn't take the job due to the amount of work involved, advising that it wasn't economically viable to repair the boiler and he should replace it. He received a quote of £1,300 to repair and £2,500 to replace.
- Mr W called QIC to let it know what he'd been told, and he was asked to email over the details. He did so, expressing the urgency as he had no heating or hot water. After receiving an automated response saying the email address was rarely monitored, Mr W made further calls to find out how to progress his claim.
- After ten days, Mr W still hadn't heard so he called QIC again. He advised it that he'd provisionally booked a plumber to replace his boiler, but this was pending the outcome of his claim with QIC. He was advised that the policy would only cover £150 towards a replacement. As Mr W was dissatisfied, he raised a complaint.
- Mr W went ahead with the replacement of his boiler.
- QIC issued a complaint response. It offered to reimburse the call out fee of £84 which Mr W had been charged by his plumber; any alternative heating he'd had to pay for, and £150 contribution towards the replacement boiler.
- Mr W remained unhappy, so he brought his complaint to our service. Our Investigator was satisfied QIC's offer was fair but asked that in addition it pay 8% simple interest on the call out fee and heating costs, and £50 compensation for the poor service.

She also requested details of the age of the boiler to determine whether the £150 contribution was the correct amount in line with the policy terms and conditions.

- QIC accepted our Investigator's findings. It said if Mr W provides details of the age of the boiler, and it's less than 11 years old, it will revise its offer accordingly. It also said it would need to see invoices for the call out fee and heating costs.
- Mr W didn't accept our Investigator's findings. He said his policy is clear that a boiler is only uneconomical to repair if the cost to repair it is more than 75% of the cost of replacing it. He says that had QIC provided its own contractor under the policy, he could've had his boiler repaired with the full cost being met by the policy. As such, he feels QIC should cover the full cost of the replacement.
- The complaint has been passed to me 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 the same outcome as our Investigator and for broadly the same reasons. I'll explain the key reasons why here.

Sourcing a tradesperson

I appreciate Mr W was unhappy that he had to find his own tradesperson rather than QIC providing one under the policy. But Mr W made his claim four days before Christmas during a period of below freezing weather conditions across the country. Whilst this was outside of his control, it's understandable that QIC might struggle to have contractors available to attend immediately.

As this is a home emergency policy, I'd expect QIC to respond to claims urgently, and if it's unable to do so it should provide alternative options to ensure its customers aren't left in unacceptable circumstances for too long. I'm pleased to see that, rather than requiring Mr W to wait in a queue until someone could get to him, QIC allowed him to find his own tradesperson to carry out the works.

Boiler repair

Mr W says he couldn't find a plumber who was willing to repair his boiler, so he had to replace it – which wouldn't have been the case had QIC sent its own contractor. Whilst I can understand the point Mr W is making, I'm not persuaded by it.

I can't say for certain what would've happened had one of QIC's contractors attended. So I have to consider, on the balance of probabilities, what is most likely to have happened in these circumstances. Given that Mr W spoke to about ten plumbers who refused to repair the boiler due to the work required to get it up to standards, I think it's most likely that QIC's contractor would've also recommended the boiler is replaced.

Mr W doesn't agree and refers to the policy's definition of "uneconomical" which says "*a repair is considered to be uneconomical if the cost to repair the item (including parts and labour) is more than 75% of the cost of replacing the item as new*".

I accept that based on the quotes Mr W obtained, his boiler wasn't uneconomical as defined by the policy's terms and conditions. But that doesn't mean a contractor of QIC's would've been willing to repair it.

I've looked at the quote provided by Mr W's plumber which lists a number of parts that need replacing. The plumber says it needs "*a lot of work*" and that he'd need the boiler to come off the wall or to remove the flue in order to complete the works. He warns that if the flue gets damaged, it wouldn't be able to be replaced as it's no longer available for this particular boiler.

Taking everything into account, I'm persuaded that QIC's contractor would've also recommended a replacement boiler regardless of the policy terms. As such, Mr W would be in the same position he is now, having only benefited from a contribution towards the replacement boiler under his policy.

Boiler replacement contribution

The terms and conditions of Mr W's policy say that it will make a "*contribution towards the cost of a brand new like-for-like replacement*". The amount of the contribution is dependent on the age of the boiler.

I haven't been provided with sufficient information on Mr W's boiler to determine its age. So I can't say whether QIC's offer of £150 is the right amount in line with the policy terms. However, QIC has confirmed that it will revise its offer if Mr W confirms the age and I think that's reasonable.

Reimbursement of out-of-pocket expenses

QIC has agreed to reimburse Mr W for the call out fee of £84 he was charged by his plumber. I think this is fair on the basis that he wouldn't have had to pay this had the policy provided a contractor.

QIC has also agreed to reimburse the cost of any alternative heating Mr W has had to pay for. This is in line with the policy terms which says that QIC will "*contribute up to £100 (including VAT) towards the cost of buying or hiring alternative heating sources*". The policy explains that a receipt for these costs will be required. Again, I think this is fair.

I appreciate Mr W says he's already sent invoices for these costs to QIC, but I haven't seen any proof of this and QIC doesn't seem to have received them. As such, to satisfy the policy terms and enable QIC to reimburse him, Mr W should resend these over and QIC should pay 8% simple interest on these amounts to take into account the time Mr W has been without these funds.

Poor customer service

I can see that Mr W emailed QIC the day after his claim was raised to let it know what he'd been told by the plumbers he'd spoken to. He asked for a response ASAP as he needed to book in with the plumber who was booked up until January.

I understand Mr W received an automated email in response to say that mailbox was rarely monitored and to make contact via an online portal. When he tried to do so, there was no portal for his reference number. He called the helpline and was informed the mailbox was monitored but by 3 January 2023 he still hadn't received a response.

This isn't the standard of service I'd expect QIC to provide its customers, and I've no doubt this would've impacted Mr W over the Christmas and New Year period. I understand he was informed by phone on 3 January 2023 that he wouldn't be covered for the full costs of a replacement boiler.

I'm persuaded that compensation is warranted for the short time Mr W was without clarity about what he'd be covered for under his policy. And I'm satisfied the £50 recommended by our Investigator is fair in the circumstances.

My final decision

For the reasons I've explained, I'm upholding this complaint and directing QIC Europe Ltd to:

- pay the policy's contribution towards a replacement boiler based on the age of the original boiler at the time of the claim.
- reimburse the call out fee of £84, subject to Mr W providing an invoice or proof of payment, plus 8% simple interest per annum from the date Mr W paid it up until the date it's reimbursed.
- reimburse any alternative heating costs up to the policy limit, subject to Mr W providing an invoice, plus 8% simple interest per annum from the date Mr W paid it up until the date it's reimbursed.
- pay £50 compensation for the poor customer service.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 29 August 2023.

Sheryl Sibley
Ombudsman