

The complaint

Mr M complains about the way that U K Insurance Limited (“UKI”) dealt with a claim he made under his home emergency insurance policy.

Reference to UKI includes its agents and representatives.

What happened

The circumstances of this complaint aren’t in dispute, so I’ll summarise the main points:

- Mr M has a home emergency policy underwritten by UKI. He got in touch with it after he lost heating and hot water in November 2022.
- UKI sent a contractor, who said a gas valve within the boiler had failed and the flue was installed incorrectly. UKI said its policy didn’t cover the work to the flue and that needed to be completed before any other work could be done.
- Mr M turned to another company, B, who he paid to carry out work to the flue and valve. That successfully restored the boiler to working order. Mr M asked UKI to reimburse the £255 he’d paid B, plus compensation for the way UKI had handled the claim. He said the contractor:
 - Hadn’t correctly identified the cause of the problem.
 - Was inexperienced and didn’t follow gas safety regulation for faulty boilers.
 - Didn’t seek advice from the flue manufacturer.
 - Left Mr M without heating or hot water in cold weather.
 - Used his toilet during the Covid pandemic.
- UKI said its policy only covered repairs carried out by an authorised repairer – which didn’t include B. So it didn’t agree to reimburse any of B’s costs to Mr M. It offered £40 compensation because Mr M hadn’t been offered temporary heaters or alternative accommodation during the claim, contrary to the policy terms.
- During our investigation, UKI made an offer to settle the complaint. It maintained the flue problem wasn’t covered by the policy but it agreed to pay for the work to the valve. As Mr M hadn’t provided an itemised invoice, it offered to pay half what Mr M had paid plus £150 compensation. Our investigator thought this was fair.
- Mr M looked up the price of parts online to estimate the cost of the valve repair. He thought that should be used to calculate what UKI should pay. Although it was less than he was hoping for, Mr M accepted £150 compensation.
- The complaint has been referred to me to make a final decision as an agreement couldn’t be reached.

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 policy covers the failure of the 'main source of heating', which is defined in the policy to include the boiler, other features and 'the main flueing'. It says it will pay for an authorised repairer to carry out emergency assistance. An authorised repairer is one appointed by UKI. It may also pay for temporary heating or alternative accommodation depending on the circumstances.
- UKI didn't think the flue problem was covered by the policy because it doesn't cover:
 - The cost of replacement parts from ... failure to carry out reasonable maintenance in accordance with manufacturer's instructions.
 - Any defect, damage or failure caused by ... faulty workmanship.
- The contractor's notes say, "found flue incorrectly installed, flue has been cut too short meaning air intake is sat inside wall, due to this flue hasn't been sealed, I can easily move flue around".
- Whilst I know Mr M strongly disagrees with the contractor, he hasn't provided any comments from a contractor or engineer to challenge what was said. So I don't have any professional opinion of similar or greater standing to counter the contractor's comments about what they found.
- As a result, I'm satisfied UKI has shown the flue problem was likely caught by at least one of the policy terms noted above. And that means it was fairly declined.
- Although UKI didn't authorise B to carry out the work to the valve, UKI was prepared to carry it out as it was covered by the policy. So I think it's fair UKI pays a reasonable amount for that work.
- We don't know exactly how much that cost as Mr M doesn't have an itemised invoice. That's because he paid B £75 upfront together with £15 a month to make a total of £255. This includes the cost of ongoing boiler cover and the flue repair – neither of which is covered under the policy or is otherwise UKI's responsibility. I don't think the cost of parts Mr M found online is relevant because that's not what he paid B.
- As a result, I'm satisfied UKI's offer to pay for half of the total cost – £127.50 – is reasonable and pragmatic in the circumstances.
- Mr M seems to have accepted UKI's offer of £150 compensation. This is in addition to the £40 it offered previously. If £40 has already been paid, only the remaining £150 remains to be paid. I'm satisfied a total of £190 compensation is reasonable in the circumstances. I'll explain why.
- As above, I'm not satisfied the contractor failed to identify the cause of the problem. So there was no need for them to contact the manufacturer. And I've seen no evidence to suggest they were inexperienced or otherwise unsuitable for the work, or acted unsafely. UKI has shown they issued Mr M a gas warning notice which he signed. So I think they made him aware of the risk involved were he to continue to use his boiler with a failed valve. At the time of the visit, Covid restrictions had long

been lifted, so I don't think it was inappropriate for the contractor to use Mr M's toilet facilities with his agreement.

- UKI has acknowledged it should have done more to provide temporary heating or alternative accommodation, given the policy cover and the cold time of year when the problem happened. And it took UKI a long time to recognise it would be fair to pay for the valve repair. So I think it's right it offers compensation for the distress and inconvenience caused to Mr M by these avoidable mistakes.

My final decision

I uphold this complaint.

I require U K Insurance Limited to:

- Pay £127.50 for the claim.
- Pay a total of £190 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 September 2023.

James Neville
Ombudsman