

The complaint

Mr A complains about how Accredited Insurance (Europe) Ltd (“Accredited”) handled a claim he made under his home emergency policy.

Any reference to Accredited includes its agents and engineers acting on its behalf.

What happened

Mr A has home emergency insurance with Accredited. The policy began on 6 December 2022.

Mr A says on 22 December 2022 he discovered there was no heating in the house and his boiler wasn’t working.

Mr A says he called his home emergency insurer who told him there was no-one available to come out to his home. Mr A was told to arrange his own engineer to come out and fix the problem and Accredited would reimburse him.

Mr A says when he was told to arrange his own engineer he wasn’t told there were some conditions. When the engineer came out he charged Mr A £400 for the emergency call out. Mr A says the engineer took some time to send an invoice but when it was received Mr A promptly paid it.

Mr A forwarded the invoice to Accredited but didn’t hear anything. So Mr A contacted Accredited and was told the invoice hadn’t been received. And so Mr A sent the invoice to Accredited again and marked it as ‘urgent.’

Accredited responded to Mr A to ask for a more detailed invoice that provided a breakdown of works and VAT. Mr A says the terms and conditions of the policy don’t stipulate that he or the engineer need to provide the invoice in any specific format. In addition Mr A is unable to force the engineer to provide an invoice in the format required.

Mr A wasn’t happy with the service from Accredited. He said he was alone with his two children in a freezing cold house, and when he called for assistance no-one was available to come out to him. He was told he could arrange his own engineer but wasn’t told the invoice was required in a specific format. Mr A wants Accredited to pay the claim and compensation for the distress and inconvenience the situation has caused.

Accredited said when Mr A called to report the issue with his boiler he was told no specialist engineers were available and it would reimburse him for emergency plumbing costs subject to claim validation. Accredited said when the invoice was received it wasn’t detailed enough to validate the claim and so further information was requested, including service documentation to prove the boiler had been serviced in the last 15 months. Accredited said it received the information it requested and made a payment of £170. Accredited referred to the terms of the policy which said the invoice would need to show each cost of the work. The policy also said Accredited would not replace any item that couldn’t be repaired. As a result Accredited were only able to reimburse Mr A for the call out charge.

Mr A referred his complaint to this service. Our investigator looked into things for him. She said she was satisfied Mr A was made aware what would be required if he arranged for his own plumber, and that Accredited would only reimburse work covered under the policy. The investigator said she listened to the call where Mr A first reported the claim, and he was told he would be reimbursed for the emergency plumbing costs if the repair was covered within the policy. The investigator said the invoice showed some pipes were replaced and not repaired and since this wasn't covered by the policy it would be fair to ask Accredited to pay for that. And so the complaint wasn't upheld.

Mr A disagreed and so the complaint was referred to me.

Provisional Decision

I recently issued a provisional decision setting out my thoughts on the key complaint points and how I thought matters might best be resolved. I said:

I understand Mr A has strong views about what happened and I can empathise with the position he has found himself in. I have read and considered everything I have received carefully. My role is to consider the evidence to reach what I think is a fair and reasonable outcome.

The nature of home emergency insurance is to cover emergency repairs when things go wrong. It isn't a maintenance policy. Mr A has a home emergency policy which provides cover for help in certain emergency situations, for example emergencies relating to boiler and heating, plumbing, drainage, electrics, amongst others.

The main part of Mr A's complaint is that Accredited didn't advise him clearly enough of what he would need to do and provide when using his own engineer to deal with the boiler and leak at his home. I have listened to the telephone call where Mr A reports the issue with his boiler. He explains what has happened and tells the agent on the phone he has no heating and two small children at home. The agent tells Mr A there are no engineers available to attend an emergency so Accredited are asking customers to arrange their own engineers and then email in the invoice and report. The agent says, "If everything is within the policy wording we will reimburse those costs back to you."

Mr A was unhappy Accredited was unable to send an engineer out to him since he didn't know anyone who would be able to attend. He explains that is the reason he took the policy out. There is no further discussion regarding the policy or what Mr A needs to do in order to be reimbursed.

I have reviewed the policy terms and conditions and they confirm Mr A is covered for help in an emergency. The policy says, "we will send a contractor to your home as soon as possible." So I understand why Mr A was expecting his home emergency insurance provider to send out an engineer. The policy goes on to say, "when we carry out a repair, we will leave your home safe and in a condition that is suitable for living in." And so I can see why Mr A expected Accredited to stop the leak and inspect the boiler.

Mr A has said he wants Accredited to reimburse him for the entire amount of the invoice. But this isn't something he is entitled to under the terms of the policy. The policy says, "we will only refund the cost of the emergency work that is covered under the policy." So I don't think it's appropriate for Accredited to pay towards the labour and materials to replace the damaged pipework. It could be that the damage to the pipework is covered under a home insurance policy, such as buildings insurance, but that isn't something that falls within this complaint.

Mr A explained he called a number of engineers before he found one who was able to come out to his home quickly. When the engineer attended he repaired the leak and carried out some other necessary repairs. Mr A obtained an invoice and sent this to Accredited. So I'm satisfied Mr A did what he was supposed to do under the terms of the policy.

Given the circumstances described by Mr A together with the fact Accredited was unable to send out an engineer to inspect the issue, and then looking at what the policy covers, I agree with the investigator that the replacement pipes aren't covered under the terms of the policy and so Accredited weren't unreasonable in not paying this part of the invoice.

Turning to the remainder of the invoice there are further charges for labour and materials. But the invoice doesn't specify what materials. And given the policy doesn't cover replacement parts I don't think it would be fair to ask Accredited to reimburse Mr A for the materials.

In respect of the labour charge the invoice doesn't provide a breakdown of the cost of the labour to repair the leak or replace the pipes on the boiler. The invoice does say a thorough inspection was carried out. So, taking a pragmatic approach to the invoice, I think it would be fair to split the labour charge and for Accredited to reimburse Mr A further £75 in respect of the labour cost to repair the leak on the central heating and to inspect the issue. Since Mr A would likely have had to pay for the pipes to be replaced given the damage described and the fact that replacement pipework isn't covered under the policy I am unable to compel Accredited to reimburse the labour costs in respect of this.

I understand there may have been delays when dealing with the invoice, with some back and forth between Mr A and Accredited while it obtained the information it required in order to validate the claim. I've considered what happened here and I don't think Accredited has acted unreasonably. As it is only obliged to pay for claim related costs it is reasonable and usual that it will need to validate the work that was completed to make sure this meets its liability and doesn't exceed it. And it was unable to do this effectively based on the original invoice Mr A provided.

I can see Mr A has suffered some stress as a result of this matter and I empathise with the situation. I've thought about the impact this matter is likely to have had on Mr A given the circumstances he describes with two small children and a wife who is unwell. His home emergency cover is to protect him in situations such as this. And so when Accredited were unable to send someone out I think it would have caused Mr A some distress.

I understand Accredited have explained it was a particularly busy period and it wasn't possible for an engineer to attend Mr A. So allowing Mr A to use his own engineer was a reasonable solution. However I think part of the premium Mr A has paid for is the convenience of contacting his insurer in an emergency and having the insurer arrange an appropriate engineer to attend to the repair. I also don't underestimate the difficulty Mr A had in trying to contact an appropriate contractor to attend."

Response to my provisional decision

Mr A didn't raise any additional points or query my findings.

Accredited raised some points that I'll address here. Accredited has no issue with contributing half of the labour costs for the boiler repair – an amount of £75. So I won't comment on this further.

Accredited say £100 for the trouble and upset isn't reasonable given there is always an element of inconvenience when dealing with insurance claims of this type. They said the lack of engineers was out of its control due to the weather surge and a shortage of engineers. It also said Mr A didn't pay a premium for the home emergency, that it's a free add-on to Mr A's home insurance policy. And it questioned whether the element of trouble and upset was awarded because Accredited didn't consider Mr A's claim properly in the first instance.

To clarify, the reason I awarded Mr A £100 for trouble and upset is based on my review of the evidence provided, including Mr A's compelling and consistent testimony of trying to arrange a repair for his boiler, with two small children and a wife who was unwell. Whether Mr A specifically paid for his home emergency cover is irrelevant here. He pays for his home insurance. And in any event when offering and providing a service such as home emergency it entitles the customer to think they are covered in the event of an emergency. On this occasion Mr A wasn't.

I also don't underestimate the difficulty Mr A had in trying to find a suitable engineer. Accredited said it was unable to find an engineer despite its network of businesses and contractors. So I think it's more likely than not that Mr A would have similar issues when finding a suitable contractor.

So the award for trouble and upset is to reflect the distress and inconvenience caused to Mr A that was in addition to the usual stress of dealing with claims such as these. I think this amount is fair and falls in line with the service's approach to distress and inconvenience.

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.

Accredited's further comments didn't persuade me to make any changes to my provisional decision (which I've reproduced here and which forms part of this final decision) I'm satisfied it represents an appropriate way to resolve the dispute.

Putting things right

When thinking about what Accredited should do to put things right, any award or direction I make is intended to place Mr A back in the position he would have been, had Accredited acted fairly in the first instance.

In this situation, had Accredited acted fairly, I think it would have covered the cost of Mr A's call out charge plus the labour involved in carrying out the repair. And this would have meant Mr A had a lesser amount payable to the engineer.

So I think these amounts should be paid to Mr A, along with 8% interest from the date Mr A paid the engineer, to the date of payment to recognise the length of time Mr A has been without access to these funds. I'd expect Mr A to evidence when he paid the engineer so Accredited is able to calculate this interest correctly.

And had Accredited settled the claim fairly in the first instance, I don't think Mr A would've needed to continue to engage with Accredited, the engineer, and ourselves, in an attempt to recoup the amounts he felt should be paid under the policy. I'm satisfied this has taken time and effort from Mr A, and I don't doubt it would've been both stressful and upsetting during that process. So I intend to direct Accredited to pay Mr A £100 to recognise this trouble and

upset. And I think this fair and falls in line with our service's approach. So I intend to direct Accredited to pay this additional amount.

My final decision

For the reasons set out above I'm upholding this complaint and direct Accredited Insurance (Europe) Ltd to do what I've said above.

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

Kiran Clair
Ombudsman