

The complaint

Mr W complains about AWP P&C SA and the service they provided after he made a claim on the Home Emergency ("HE") cover included within his overall home insurance policy.

What happened

Mr W held a home insurance policy. Included within this policy was separate HE cover, underwritten by AWP. The HE cover was administered by another business on AWP's behalf but, for ease of reference, I will refer to any actions taken by this business as AWP throughout the decision.

Unfortunately, in early December 2022, Mr W's boiler at his home broke down. So, on 9 December, he contacted AWP to make a claim on his HE cover. AWP arranged for an engineer, who I'll refer to as "E" to attend Mr W's home and inspect the boiler, with attendance taking place on 11 December. But due to the wattage of the boiler, E was unable to complete any work on it. So, on 12 December, E forwarded it's report to AWP explaining a commercial boiler engineer would be required.

AWP attempted to find another engineer who was able to inspect, and repair, Mr W's boiler. But they struggled to find an engineer with availability. So, on 14 December, AWP authorised Mr W to source his own engineer to complete a repair up to £500, while they continued to find an engineer themselves.

On the same day, Mr W contacted AWP and explained the earliest attendance he could source would be 20 December, which he didn't think was acceptable. So, he asked that AWP find a way to send an engineer out sooner. AWP escalated their search to trades nationally but, on 17 December, Mr W made AWP aware he had taken the decision to order a new boiler. AWP explained they wouldn't cover the costs of this, as they hadn't authorised the new boiler beforehand. Mr W was unhappy about this, and the service he'd received overall, so he raised a complaint.

Mr W was unhappy with AWP's inability to locate an engineer that could attend his property and repair his boiler. So, due to the time of year and the vulnerability of his wife, he felt he'd been forced into purchasing a new boiler, to ensure they had access to heating and hot water. Because of this, he felt AWP should cover the cost of this, which totalled over £9,000.

AWP responded to the complaint and upheld it in part. They apologised for the customer support Mr W had received and offered to pay him £100 to recognise any upset this had caused. But they didn't think they should cover the cost of the replacement boiler, as this replacement was arranged without their authorisation. Mr W remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and thought the £100 AWP offered was a fair compensatory amount to recognise the frustration Mr W was caused by the service AWP provided. But they didn't think AWP should cover the costs of the replacement boiler, as Mr W arranged for this replacement without authorisation and before a repair had been attempted. So, our investigator didn't think AWP needed to do anything more.

Mr W didn't agree. He didn't think it was reasonable to expect him to wait for AWP to source an engineer, considering the way they had dealt with and communicated with him up to the point he chose to replace the boiler. And he disputed our investigator's belief that AWP had been progressing the claim effectively up to that point. So, he thought AWP should at least make a contribution to the cost he'd incurred. As Mr W didn't agree, the complaint has been passed to me for a decision.

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 think the offer already made by AWP is a fair one. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Mr W. I don't doubt the upset and inconvenience both Mr W and his wife would've felt when the boiler in their home broke down, especially when the time of year is considered. And I recognise Mr W took out a home insurance policy that included HE cover provided by AWP to assist him both practically and financially in situations such as the one he found himself in. So, when AWP were unable to repair the boiler in what Mr W felt was a reasonable amount of time, I can understand why Mr W would feel as though he'd been treated unfairly. And, as Mr W believes it was AWP's actions that forced him into purchasing a new boiler, I can understand why Mr W would feel as though AWP should, at the very least, contribute to the cost of this. So, when AWP refused to do so, I can understand why Mr W would feel this was unreasonable and raise a complaint.

But for me to say AWP should do more than they have already, I'd need to be satisfied their £100 offer of compensation failed to adequately compensate Mr W for the upset he's been caused. Or, that it failed to acknowledge something AWP did wrong. And in this situation, I don't think that's the case.

I note that Mr W is unhappy with the time it took AWP to locate an engineer to attend his property. So, this is what I've thought about first. In this situation, I can see Mr W made his claim with AWP on 9 December 2022. And, that AWP sourced E, who attended two days later. Considering the time of year and the fact cold weather leads to an increase in demand for boiler engineers, I don't think this was an unreasonable amount of time.

Unfortunately for Mr W, due to the size of the boiler at his property and the wattage it used, E was unable to undertake work on his boiler. And having read through the documentation, including Mr W's email to AWP on 17 December 2022 where he states AWP *"were unable to send out a qualified commercial gas boiler engineer"* I'm satisfied E was unable to complete any repair work as Mr W's boiler was commercial, rather than domestic.

I've seen the terms and conditions of the policy Mr W held. And this explains under the HE cover that they would cover Mr W's primary heating system, which is defined as *"The main heating systems in your home, including a domestic boiler"* before going on to explain *"Please note that we do not cover any form of solar heating or non-domestic central heating boilers and associated systems"*.

So, as the policy AWP provided was intended to exclude any repair work on boilers that weren't domestic, I don't think I can say AWP have done anything wrong when sending E to Mr W's home, as I think they were reasonable to assume the boiler was domestic and so, could be repaired by E.

Unfortunately, as Mr W's boiler was commercial, any work on the boiler would need to be completed by an engineer with a separate qualification that authorises them to do so. And as AWP's policy was designed to cover domestic boilers only, I think it's reasonable to expect a delay in AWP being able to source an appropriate engineer.

I've seen in AWP's system notes from 12 – 17 December they attempted to source an engineer, escalating their search nationwide in an attempt to assist Mr W. And I think they did so without being obligated to do so under the terms of the policy, considering Mr W's boiler was non-domestic. And on top of this, I can see they offered Mr W the chance to source his own engineer, with a £500 authorisation limit on any repair work, to ensure Mr W was able to complete a repair if he could arrange this himself sooner. I think AWP's actions here were reasonable, and in Mr W's best interests.

But, by 17 December, I've seen an engineer was still unable to be located and able to attend Mr W's home that day. So, at this point Mr W took the decision to purchase a replacement boiler altogether. While I do understand why he chose to do this, I don't think this means AWP should be responsible for this cost.

I think AWP made it reasonably clear to Mr W that any cost over £500 would need to be authorised with them first. And I can't see Mr W discussed the replacement with AWP, before purchasing it. And I think if Mr W had, AWP would've most likely refused to cover the cost as, at this point, a repair still hadn't been completed. And within the terms and conditions, I think it's made reasonably clear that, for AWP to contribute towards a new boiler for Mr W, it would first need to be deemed "*beyond economical repair*". And, as a repair hadn't been attempted, I don't think it had been classified as this.

I also think it's worth noting that, in an email sent from Mr W to AWP on 14 December, he stated he had found an engineer who could attend his property on 20 December. So, when Mr W chose to replace the boiler altogether on 17 December, I think he was reasonably aware a repair could've been attempted, and up to £500 of this repair cost covered, by AWP three days later. So, while I do appreciate this would've left Mr W without heating and hot water for a few days more, I don't think it's reasonable for Mr W to not allow for a repair attempt first.

And even if Mr W had attempted a repair, and the boiler been deemed beyond economical repair, the terms and conditions explained that "*if your boiler is beyond economical repair we will only pay up to £250 (including VAT) towards the labour and parts to replace your boiler*". And I'm aware this is a very small percentage of the £9,000 Mr W paid to replace his boiler in the end.

So, I don't think I can say AWP have acted unfairly, or unreasonably, when refusing to contribute to the cost of Mr W's boiler replacement and I think they acted within the terms of the policy when taking this decision. But I note AWP accept their service could've been improved during the claim process. So, as AWP accepted they acted unfairly regarding this aspect of the complaint, I've then thought about what AWP should do to put things right.

Putting things right

AWP have already offered to pay Mr W £100 compensation to recognise any upset and inconvenience he was caused, which Mr W has refused. So, this amount hasn't yet been paid.

And having thought about this offer, I think it is a fair one, that falls in line with our service's approach and what I would've directed, had it not already been made. I think it fairly reflects the fact Mr W had to chase AWP proactively on several occasions to understand what was

happening with this claim, and the inconvenience this would've caused. And I think it also fairly compensates Mr W for AWP's failure to clearly explain exactly why they were struggling to source an appropriate engineer and give potential timescales for when they hoped to rectify this situation.

But I think it also takes into consideration the fact that AWP did source E to attend Mr W's home initially within 2 days of him reporting the claim initially. And I think this is a very reasonable amount of time considering the time of year. I also think that, had Mr W's been a usual domestic boiler as stipulated within the terms of the policy, then I think it's most likely E would've been able to diagnose any fault, attempt to repair it or, if necessary, deem it beyond economical to repair at this point. As Mr W's boiler was a commercial boiler, which I don't think AWP were aware of at the time the claim was made, I don't think AWP had an obligation under the policy from this point to assist Mr W. But they did so anyway. And I think the £100 offer reflects this, and their offer to Mr W to allow him to source his own engineer to mitigate any delays. So, I'm directing AWP to pay Mr W the £100 they originally offered in their complaint response.

I understand this isn't the outcome Mr W was hoping for. And while I don't doubt the inconvenience Mr W and his wife were caused by the ordeal being without heating and hot water during the winter months, and I can understand Mr W's thought process behind purchasing a new boiler entirely, I don't think this means AWP should be responsible for the cost Mr W incurred, as he chose to make this purchase without AWP's authorisation which impacted their ability to attempt a repair first.

My final decision

For the reasons outlined above, I uphold Mr W's complaint about AWP P&C SA and I direct them to take the following action:

- Pay Mr W £100 to recognise the upset and inconvenience he's been caused by the service they provided.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 18 September 2023.

Josh Haskey
Ombudsman