

The complaint

Mr and Mrs B complain about how Admiral Insurance (Gibraltar) Limited handled a claim made under the terms of a boiler emergency policy.

Admiral Insurance (Gibraltar) Limited, as the underwriter of the insurance contract, is responsible for this complaint. References to Admiral include their agents.

What happened

In September 2022, Mr and Mrs B took out Admiral home insurance cover. Included within this was a boiler emergency policy.

On 18 October 2022, Mr B contacted Admiral as the boiler was leaking. Admiral said the claim wasn't covered as the policy was only triggered upon a complete loss of heating or hot water. Mr B called back as he thought this was wrong and the second advisor agreed and put the claim through. However, the company appointed to attend the property told Mr B this wasn't correct. He spoke to Admiral again who explained the initial information he'd been given was correct - the claim wasn't covered. Mr B was also told on this call, as he was aware of the fault, it'd be his responsibility to resolve the issue.

By 20 October, Mr B reported to Admiral the leak was worse and the hot water was intermittently being affected. It then sent a heating engineer (who I'll call H) to the property.

On 21 October, H's report from the visit was sent to Admiral by email. It recorded works totalling £590.19 and stated, due to the boiler being 17 years old, H said the boiler was beyond economic repair (BER).

Once this was communicated to Mr B, he explained he wasn't happy – H had told him the day before he'd be back with the part needed to fix the boiler in 48 hours. Admiral explained it'd cover the quotation from H up to the policy limit of £500 but no more, in accordance with the policy terms, although this may not be successful given the age of the boiler and could show up other faults. Mr B paid the £90.19 above the policy limit for H to carry out the works.

Mr B raised a complaint with Admiral. This related to a number of matters he detailed to Admiral in emails including, in summary, the following.

1. They were still without heating and hot water despite paying above the policy limit for the repairs by H. Further, H returned on different occasions as the parts weren't ordered correctly or were missing. Had the correct parts been obtained, there wouldn't have been any wasted visits and the repair would've been completed within the policy limit. In addition, there was a hidden charge for the out of hours visit which he should've been made aware of. If he had, Mr B would've waited for the original appointment scheduled for the morning after.
2. The boiler was deemed BER by H but they'd told Mr B only a final minor part was needed to complete the job.
3. Mr and Mrs B and their young child had to stay with family for 3 days. They weren't told about the entitlement to alternative accommodation (AA) under the policy nor

was it offered to them. Even if it had, accommodation for their family wouldn't have been available within the policy limit of £250. Whilst they don't have any evidence of expenditure – as they stayed with family - they wanted the allowance to be paid.

4. Admiral had simply not done enough when factoring in the vulnerabilities in their household including a young child with medical issues and a heavily pregnant wife. This gambled with their wellbeing when the matter should've been escalated.
5. The service provided by Admiral has been poor including actions such as long wait times on calls, engineers attending later than scheduled, mixed communications.

After this, Mr B emailed Admiral about further issues they'd experienced. On 11 November, due to his wife recording an above average carbon monoxide check at her regular midwives appointment, Mr B had the gas capped off. He was told by the gas company's agent to have the boiler serviced and gas reinstated. Mr B did this using a heating engineer he appointed (who I'll refer to as G in this decision) at a cost of £259.80 for the service, gas reinstatement and installation of a new pressure release valve. But he says a further call out was needed the next day at a cost of £243. The invoice for this callout states as follows.

'Call out to repair boiler. Water ingress causing a short circuit and blowing the main fuse. The leak was coming from the pump head. A new pump manifold has recently been fitted but the previous engineer fitted the old pump head back on. The seal on this old pump head was leaking.'

Mr B says G's visits wouldn't have been needed had H carried out effective repairs. And he would've been covered within the policy limit had there not been any wasted trips and hidden charges, particularly as a large part of the costs incurred are for the attendance of G.

In summary, Mr B claims the following payments to put things right.

- £90.19 – the amount paid above the policy limit;
- £259.80 and £243 – invoices from G.
- £250 for the AA allowance plus additional compensation.
- Compensation for the failings of Admiral which led to Mr B and his family being without heating and hot water in the middle of winter and with a boiler leaking carbon monoxide. And the poor service he's been given, including the time it took to respond to his complaint.

Admiral didn't uphold Mr and Mrs B's key complaint points. It did agree its service had fallen below the level they were entitled to expect and offered £75 compensation for this. Mr and Mrs B brought the complaint to this service for an independent review as they didn't agree with Admiral's response.

An Investigator considered matters and thought Admiral needed to do more to put things right. She asked it to pay the following to Mr and Mrs B and explained - in some detail - why the other amounts sought by Mr and Mrs B weren't being recommended.

- G's invoice for £243 as this was to rectify work carried out by H;
- The additional payment of £90.19 made by Mr and Mrs B on the basis G's invoice shows H's work wasn't to an acceptable standard and so they shouldn't be required to pay over the policy limit for this.
- Increase the compensation already offered to £150.

This amounts to a total payment to Mr and Mrs B of £483.19. Mr B wasn't happy with this - he believes the seriousness of the complaint doesn't match the offer. Nor does it incentivise Admiral to treat customers fairly and look after vulnerable customers.

The complaint has now 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.

I recognise I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this, and it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I've given careful consideration to all the submissions made before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome.

Having done so, I must tell Mr and Mrs B I'm satisfied the Investigators recommendation is a fair outcome here. This is largely for the same reasons as the Investigator. So, whilst I'm upholding their complaint, this isn't to the extent they'd like.

The key facts here aren't in dispute. Admiral accepts the service fell below the standard Mr and Mrs B were entitled to expect. And it has agreed to put things right by paying the amounts recommended by the Investigator.

The issue I must decide is whether the things it has agreed to do to put things right is a fair and reasonable way to resolve this complaint. As Admiral has agreed to cover some of those costs in full, such as G's invoice for £243 and the £90.19 paid over the policy limit by Mr and Mrs B, I don't intend to revisit them here. Instead, I've focused on the amounts Mr and Mrs B are seeking which haven't been awarded to them.

Invoice from G for £259.80

I'm not satisfied I've been given sufficient evidence to conclude it's more likely the work carried out by G under this invoice was as a result of poor workmanship by H. Further, it had already made Mr and Mrs B aware the repairs may not be successful given the age of the boiler. And I note part of this work – an annual service – is the responsibility of the homeowner as normal maintenance that should be carried out, and not something covered by the policy.

I appreciate Mr and Mrs B blame Admiral for Mrs B's increased carbon monoxide reading but, based on the evidence I've seen, I'm not persuaded this is something I can fairly and reasonably say Admiral is responsible for.

It therefore follows Admiral isn't responsible for the steps Mr and Mrs B took as a result of the reading – the capped off gas and subsequent work under this invoice from G to service the boiler and reinstate the gas – nor any distress or inconvenience caused by it.

AA allowance

Mr B feels they're being penalised for having a family member who was willing to help where it was Admiral's responsibility.

Following the policy terms, Admiral will contribute up to £250 towards '*the cost of alternative accommodation*' if the emergency means the property can't be lived in for one night or more. This is a contribution where the insured leaves their home due to an emergency and incurs

additional costs for accommodation as a result. This isn't what happened here – Mr and Mrs B were able to stay with family and so didn't incur the costs of AA. And I'm satisfied they were aware of the benefit as it's outlined in the policy terms and was mentioned in a call with Mr B on 18 October. So, I'm not upholding this part of their complaint.

Compensation

To determine this, it's important to distinguish between the distress and inconvenience Mr and Mrs B suffered because there was a leak in their boiler and a subsequent failure of the heating and hot water and its consequences, which Admiral isn't responsible for, with what Admiral did or failed to do that might've added to that distress. For example, any home emergency is likely to involve some inconvenience for an engineer to come into the home to put things right. But this is a consequence of the home emergency rather than something which is Admiral's responsibility.

Having done so, I think it's right Admiral should compensate Mr and Mrs B for the impact of its failures in this matter. However, I also think it's important to explain that, as a service, our awards are designed to compensate consumers, not punish organisations. So, we look at the impact any mistakes had on the consumer concerned. I can see some of Admiral's service fell below the standard expected, the ordered parts didn't correctly arrive and, when the repairs were carried out, further work was needed by G to replace something H likely should've done at the outset. This has all impacted Mr and Mrs B and they've understandably found the issues they've had with the boiler to be very stressful, particularly as they've arisen at a time when they already had other important things to focus on.

Taking all the circumstances into consideration, whilst I understand how disappointed Mr and Mrs B will be, I think Admiral was fair to agree to increase the level of compensation to £150 for the distress and inconvenience caused by the times when Admiral's service fell below the standard they were entitled to expect.

I note the concerns raised by Mr B about what could've happened in a worst-case scenario. Fortunately, this isn't what occurred. Even so, as I've explained above, I'm not satisfied the evidence would allow me to conclude it's more likely the above average carbon monoxide reading for Mrs B was caused by Admiral or require it to pay more compensation as a result.

Finally, I'm aware Mr B says Admiral knew about the vulnerabilities in the household and this means an escalated level of service should've been provided. I don't agree this automatically follows. That said, I haven't seen evidence it was told about the medical issues of their young child until after H attended. And, in the call when Mr B tells Admiral Mrs B is pregnant, he says she's not vulnerable.

Mr B wants to ensure Admiral is incentivised to comply with regulations by this award. This isn't something that our service can do. We look at individual complaints. The Financial Conduct Authority is the party who regulates insurers and can consider their processes more generally. So, whilst this might be something he wants to take forward with them, it's not something I can consider.

I recognise Mr and Mrs B will be disappointed with this outcome. But my decision ends what we – in trying to resolve the dispute with Admiral – can do for them.

Putting things right

As it has already agreed to do to put things right, Admiral Insurance (Gibraltar) Limited should pay £483.19 to Mr and Mrs B, made up of the amounts set out below and giving due credit for any amounts already paid.

- G's invoice for £243;
- Refund the additional payment of £90.19.
- Compensation of £150 in total.

My final decision

I uphold this complaint against Admiral Insurance (Gibraltar) Limited. To put things right it should take the steps outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 7 February 2024.

Rebecca Ellis
Ombudsman