

The complaint

Mr B and Miss B have complained about the service provided by Astrenska Insurance Limited ('Astrenska') under their landlord's home emergency insurance policy.

For the avoidance of doubt, the term 'Astrenska' includes its agents, representatives and contractors in this decision letter.

What happened

The boiler at Mr B and Miss B's tenanted property broke down in December 2022 and they contacted Astrenska as their insurer. Mr B and Miss B were unhappy as Astrenska wasn't able to arrange urgent assistance. They engaged an engineer themselves to fix the problem. They said that they'd had to phone Astrenska on numerous occasions to try to get assistance.

Astrenska reimbursed one invoice for £60 from the relevant engineers, but not the invoice of £168 for replacement of a faulty thermostat. It said that this wasn't covered under the emergency insurance policy. Astrenska accepted certain service failures and offered compensation of £30, and later £50 to Mr B and Miss B. However, they wanted a total of £500 for distress and inconvenience, being £250 for the impact on themselves and £250 for the impact on their tenants. Astrenska didn't agree.

Mr B and Miss B were unhappy with the outcome of their complaint to Astrenska and they referred it to this service. The relevant investigator didn't uphold the complaint and considered that Astrenska had treated Mr B and Miss B fairly and reasonably regarding their claim and complaint. He noted that Astrenska's attempts to appoint a heating engineer were unsuccessful, and that the earliest appointment offered was three days later. However, he also noted that when it couldn't promptly appoint a heating engineer, it provided a reasonable alternative.

The alternative was for Mr B and Miss B to proceed with their own engineer and to reclaim eligible costs from Astrenska. The investigator concluded that he was unable to say that Astrenska didn't provide the service that it was obliged to provide under the policy, as there were no specified timescales. He also thought it had made sufficient efforts to provide an engineer promptly, but this hadn't been possible.

Mr B and Miss B remained unhappy with the outcome of their complaint, and the matter was therefore referred to me to make a final decision in my role as Ombudsman. In August 2023, I issued a provisional decision for this complaint and explained why I was minded to uphold Mr B and Miss B's complaint as follows; -

'The issue for me to determine is whether Astrenska acted in a fair and reasonable manner in all respects in relation to Mr B and Miss B's claim under the relevant home emergency policy. I don't consider that it did so in all respects, and I'll explain why. In reaching this provisional decision, I've considered the submissions of the parties as summarised below.

Firstly, I turn to Mr B and Miss B's submissions. They considered that Astrenska had been responsible for service failures. When they reported the boiler breakdown in December

2022, they were told an engineer would be sent the same day. Mr B phoned again and was told to continue to wait. He said he telephoned again after his call was cancelled seven times. A representative promised to phone back but didn't. Following a further phone call to the representative, he was told that he'd contacted another engineer, but with no response. Again, the representative said he'd phone back to confirm that someone would definitely attend that evening. Again, this didn't happen, and Mr B e-mailed Astrenska complaining that this was meant to be an emergency service and felt that the delay was totally unacceptable. He'd had to wait in all afternoon and evening.

On the third day, Mr B and Miss B got their own heating engineer to fix the problem as Astrenska said that they couldn't get an engineer out before new year. They said they'd made over thirty telephone calls in total and had sent several emails before they finally found a solution themselves. They said that their tenant was without heating and hot water for three days. In conclusion, Mr B and Miss B were looking for compensation for the three days that they'd spent trying to resolve the problem and further compensation for the tenant for having to live without heating and hot water for three days. Whilst Astrenska upheld Mr B and Miss B's complaint, they felt the compensation offered to be derisory and an insult.

In conclusion, Mr B and Miss B said that Astrenska had said the policy's purpose was to 'provide swift and effective assistance when a domestic emergency occurs' and to provide 'landlords and tenants with a reliable service, fully qualified engineers and a speedy helpful response.' Mr B and Miss B said that Astrenska failed on both counts. They provided a definition of an emergency as 'a sudden serious and dangerous event that needs immediate action to deal with it.' They therefore considered that the insurers hadn't provided the service they paid for and were in breach of contract. They now had no faith in the insurer as it failed to provide the promised emergency service.

I now turn to Astrenska's submissions. It had said that upon checking the policy cover it decided that the thermostat replacement wasn't covered by the policy, as it referenced 'any costs relating to the repair or replacement of the central heating pump or wall or room thermostat'. However, it said it was able to reimburse Mr B and Miss for the engineer's initial attendance in the sum of £60. As to the complaint about a lack of contact and updates, and incorrect information being given, it upheld the complaint and accepted that a call-back and estimated time of engineer arrival shouldn't have been given. Nevertheless, it said the most it would offer in addition to the £30 gesture of good will and the payment of Mr B and Miss B's private engineers was a further £50 'for the contractors' confusion and delays.'

Astrenska also provided its case notes which evidenced the fact that it had used its contractor network and tried to deploy several contractors, but struggled to get an engineer out due to lack of availability over the weekend, (the incident occurred on a Sunday). Astrenska had tried again at the beginning of the week and agreed that Mr B and Miss B could get the work done themselves and claim reimbursement. It continued to try to source a contractor, but its approved contractor didn't have availability until after the Christmas period. A separate approved contractor confirmed it could attend on the third day after the incident, by which time Mr B and Miss B had the work carried out privately.

In conclusion, Astrenska stated that there was a delay in attendance due to the availability of contractors at the relevant time of year, however, it accepted that 'there was a lack of communication and misinformation with the customer to advise when an engineer would be attending, and call back were not made as promised.'

The starting point for this provisional decision is the wording of the policy documentation. I note that it says that the aims of the insurance are as follows 'What we undertake to do is provide rapid, expert help if you suffer an emergency in your home arising from an incident covered under the policy. We will arrange for one of our approved contractors on our

nationwide list of authorised tradesmen to attend and take action to stabilise the situation and remove the emergency.’ Under the heading ‘How we settle a claim’, it states that it will arrange for an approved contractor to assess the situation and carry out emergency repairs.

It also made it clear that whilst it would make every effort to make sure that it supplied the full range of services in all emergencies covered by this policy, ‘unforeseeable adverse local conditions may prevent us from providing the normal standard of service.’ Under the heading ‘Promise of Service’, it said; ‘We aim to provide a first class service at all times.’ In the Schedule to the policy, it then referred to a 24-hours a day, 365 days a year emergency helpline ‘even on Christmas day’, as well as ‘Access to skilled contractors.’

I appreciate that Astrenska made efforts to source contractors on a Sunday before Christmas and on subsequent days, and that this proved to be extremely difficult. I can’t therefore say that it acted in an unfair or unreasonable manner in all respects. I also note that Astrenska gave no promises as to how quickly it will be able to react to an emergency and that its policy referred specifically to unforeseeable adverse local conditions.

Nevertheless, the policy does provide assurances that the policyholder will receive first-class support from Astrenska, whatever the time of the year. This will have raised Mr B and Miss B’s expectations, possibly of a same day service, due to its access to a network of skilled contractors. I can understand Mr B and Miss B’s frustration when this wasn’t the case. In all the circumstances, and on a provisional basis, I don’t consider that three days to source an engineer was sufficiently prompt bearing in mind the expectations created and that the incident left tenants without central heating and hot water for three days during winter.

Significantly, and again on a provisional basis, I accept that certain assurances were given to Mr B and Miss B by Astrenska that an emergency engineer would attend on the first day but didn’t do so. I also accept that promised call-backs didn’t happen. It wasn’t unreasonable in the circumstances that Mr B and Miss B decided to source their own private engineer. In the meantime, I recognise that Mr B and Miss B (and indeed their tenants) would have experienced significant frustration and inconvenience. In addition, from Astrenska’s case notes there appears to have been communication issues, not only between Astrenska and Mr B and Miss B, but also between the insurer and its contractors. One contractor appeared not to have received an instruction and this administrative failure is likely to have further confused and delayed matters.

Unfortunately, it’s inevitable that a boiler breakdown causes some frustration and inconvenience, and emergency repairs of this nature often take some time to arrange and resolve. In this case however, due to Astrenska having raised expectations of rapid resolution and good communication, I can appreciate why the frustration and inconvenience experienced by Mr B and Miss B was greater than it would otherwise have been. I also note that Mr B and Miss B took time to make many telephone calls to chase progress, whereas better communication from Astrenska could have avoided some of this.

In the circumstances, whilst I note that Astrenska has now offered £50 in compensation in addition to the £30 originally offered, on balance I don’t think that this adequately recognises the frustration and inconvenience caused to Mr B and Miss B and indeed their tenants. On a provisional basis, I consider that compensation in the sum of £250 in total represents a fair and reasonable figure for Astrenska’s acknowledged failures. The service’s guidance makes it clear that modest compensation at this level is fair in appropriate circumstances, to recognise the type of administrative failures and inconvenience experienced by Mr B and Miss B over a relatively short period, as in this case.’

In my provisional decision, I asked both Astrenska and Mr B and Miss B if they had any further comments or evidence that they would like me to consider before I made a final 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.

Astrenska responded to the provisional decision to say that it was happy to settle this complaint as suggested.

Mr B and Miss B responded with further submissions as follows. They said that having re-read the policy documents, they noted that they should have been provided with up to £250 towards overnight accommodation, however this wasn't mentioned by Astrenska in any of its many phone conversations. Mr B and Miss B also said that there was considerable inconvenience caused to their tenant in ensuring that Astrenska's engineer had access to the property, particularly in view of her specialist health work. They also referred to the fact that she was without heating and hot water for three days during a cold spell in December. In the circumstances, Mr B and Miss B considered that £250 compensation for their tenant wasn't an unreasonable request.

I've carefully considered these further submissions. However, I'm unable to consider a new complaint within the scope of this decision letter. Any failure by Astrenska to highlight insurance provisions about alternative accommodation would need to be referred to Astrenska in the first instance. As to the impact of this matter upon Mr B and Miss B's tenant, this service can't usually award compensation to a third party, as they wouldn't be regarded as an eligible complainant. Nevertheless, Mr B and Miss B are entitled to share the compensation awarded to themselves with their tenant if they so wished. They would also be entitled to approach Astrenska on an informal basis, as financial businesses are free to make additional awards to parties outside the scope of this service.

In all the circumstances, I've concluded that the provisional decision provides a fair and reasonable outcome to the matter.

My final decision

For the reasons given above, I uphold Mr B and Mr Bs complaint against Astrenska Insurance Limited and require it to pay compensation to them of £250 for the frustration and inconvenience caused. I require Astrenska to pay this sum within 28 days of Mr B and Miss B's acceptance of this final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Miss B to accept or reject my decision before 20 October 2023.

Claire Jones
Ombudsman