

## **The complaint**

Mr B complains that he needed a new boiler after U K Insurance Limited (UKI) attended to carry out an emergency repair.

Mr B had home emergency insurance underwritten by UKI, which provided cover for plumbing and heating. Any reference to UKI includes its agents.

## **What happened**

After noticing water leaking through his ceiling, Mr B contacted UKI to claim under his policy. UKI identified a leak from the bath, which was from a previous repair, and it also found a leak from the unvented cylinder. UKI arranged for a qualified engineer to attend to the unvented cylinder.

Later the same day, more water leaked through the ceiling. Mr B contacted UKI, and again two days later, to chase up an appointment. UKI needed to order parts first, and arranged another appointment.

Mr B said the engineer missed the appointment but then turned up unexpectedly on a later day. The engineer fitted a new valve and after trying to get the cylinder working, he put in a new fuse. Mr B reported hearing a loud bang, after which his boiler stopped working. The engineer left and Mr B said he'd commented that he wasn't qualified to work on the system.

Because engineers weren't readily available, UKI agreed that Mr B could appoint his own engineer. It said it would authorise a spend of £200 and if more was needed Mr B would need to contact UKI again.

Mr B's engineer diagnosed the compromised pressure expansion vessel as the cause of the leak. And he said the fuses tripped when the damage to the boiler and cylinder happened. Mr B's engineer recommended a new boiler and water cylinder.

Mr B complained to UKI because he thought the engineer had damaged his boiler. He said he'd moved out for two weeks while the work was done, and he thought UKI should pay those costs.

UKI agreed to pay the cost of the temporary heaters providing Mr B had a receipt, and it offered £100 compensation for the delays getting an engineer out to him. But UKI didn't agree that its engineer caused the damage, so it didn't offer any contribution to the boiler or cylinder. UKI said alternative accommodation had been discussed, but Mr B hadn't asked for any arrangements.

Mr B was unhappy with UKI's response so he brought his complaint to this service.

To begin with, our investigator didn't think UKI had treated Mr B fairly, and she recommended that UKI should pay for the replacement boiler and cylinder, the heaters, compensation, and interest. However, on receipt of further information, our investigator said UKI wasn't responsible for the cylinder or the full boiler cost, and recommended that UKI

should pay half the boiler cost after making its £250 contribution in line with the policy. That was in addition to interest, compensation and the cost of the portable heaters.

Neither Mr B nor UKI agreed. Mr B was unhappy that UKI was not asked to pay for the full costs of his replacement heating system. UKI referred to the evidence again, and said it only authorised up to £200 for Mr B's engineer. It also said the boiler was replaced before its own engineer had further opportunity to assess the damage.

I issued a provisional decision in December 2023 explaining that I was intending to uphold Mr B's complaint. Here's what I said:

### ***provisional findings***

*It is not my role to determine what caused the boiler and cylinder fault. I'm not an expert in heating systems, nor am I expected to be. Instead, it's for me to decide whether UKI handled Mr B's claim promptly, in line with the policy terms and conditions, and fairly in all the circumstances. To do that, I must rely on the evidence available and on the balance of probability – that is, what more likely than not happened.*

### ***Cylinder***

*Mr B's original claim was for a leak, some of which originated from the cylinder. Therefore, it follows that the cylinder was faulty.*

*Mr B's own plumber said the cylinder parts weren't available, and it wouldn't be cost effective to repair anyway.*

*The age, condition, and type of cylinder it is, means that all spares are not available to do repairs and it isn't financially viable if they were. New cylinder required.*

*That suggests to me that Mr B needed a new cylinder regardless of whether UKI caused subsequent damage to the boiler.*

*Looking at the policy, under the heading of Plumbing and Drainage, it states:*

*We won't pay:*

*to replace pumps, water tanks, radiators, cylinders, water softeners, waste disposal units, macerators or part of your central heating*

*I think the exclusion is clear.*

*So, I can't see any reason to ask UKI to pay towards the replacement cylinder. That's because the evidence suggests the cylinder was already faulty before UKI attended; it was beyond economical repair (BER) so UKI would never have been able to fix it, and the policy doesn't provide cover for a new cylinder.*

*I'm minded not to uphold this element of complaint.*

### ***Boiler***

*Mr B has given a consistent account of the events leading up to his boiler ceasing to work, and I don't doubt that the events happened as he said in respect of the loud bang and the fuses blowing. However, looking at Mr B's plumber's report, I can't agree that it's evidence UKI caused the boiler to be damaged beyond repair. The report states:*

*Diagnostics/fault finding was done on the boiler, despite systematically trying different boiler parts, the boiler could not be cleared from fault mode. This indicates the control circuit board has been damaged, likely an electrical surge when the fuses blew, it is now in a permanent fault mode and is beyond financially viable repair. New boiler required.*

*From this evidence, it appears the boiler might've been repairable with the right parts, but it wasn't cost effective to do so. UKI said it didn't get a further opportunity to inspect or repair the boiler before it was replaced, so it can't reasonably conclude that it was BER. Given that UKI only authorised up to £200 for the independent plumber to assess the fault, and Mr B didn't contact it again to authorise further work, I think it's reasonable that UKI has questioned whether the boiler was BER.*

*I've looked carefully at the evidence, including Mr B's description of events. As I said, I have no reason to doubt what happened on the day. However, just because the boiler broke while UKI was there, it doesn't mean UKI caused the boiler to break BER. There was already a fault with the heating system, and the boiler was 14 years old, so it's reasonable to conclude that the boiler would've stopped working regardless of who worked on it.*

*Again, looking at the plumber's report that Mr B supplied, the plumber said:*

*When the system has been re-energised on the third visit by [UKI's] engineer and the house fuses have all been tripped, would indicate me to believe this is when the damage to the boiler, control unit and cylinder electrics has occurred.*

*But this doesn't indicate that UKI did anything wrong which caused the fuse to blow.*

*In light of the evidence available, and the lack of any evidence to show otherwise, I can't reasonably say UKI caused the boiler damage. Therefore, I don't think it's fair to say UKI should pay for the full replacement cost of a new boiler.*

*The policy states:*

*If we find out your boiler is beyond economic repair, we will pay £250 towards the cost of a new one.*

*So, I think it's only fair that UKI should pay Mr B £250 in line with the policy.*

### **Invoice**

*In response to Mr B's request for reimbursement, UKI asked for a breakdown of the invoice for the boiler and cylinder replacement costs. If I planned to ask UKI to pay any of the costs beyond that set out in the policy, I'd expect Mr B to provide the evidence. However, as I've decided that UKI isn't responsible for the cost of replacing the heating system, there's no need for it to seek a breakdown of costs from Mr B.*

## **Heaters**

*Mr B said he paid for portable heaters to use while he was without hot water and heating. UKI offered to contribute to the cost on receipt of proof of purchase.*

*I understand Mr B doesn't have the receipts or evidence from bank statements to show how much he spent on the heaters. Ordinarily, I'd consider it reasonable for UKI to pay only if Mr B provided the receipts or other evidence. However, given the avoidable delays caused by UKI, and its overall poor handling of the claim, I'm minded to say it should pay towards the heaters up to any allowable, or reasonable, amount in line with the policy. UKI has already agreed to this.*

## **Alternative accommodation**

*Mr B was without heating and hot water for three weeks. Part of his complaint was that UKI didn't provide alternative accommodation, so he asked for reimbursement for the two weeks he spent away from home.*

*Looking at Mr B's original timeline of events, he said UKI offered him temporary accommodation. There's no indication he accepted it.*

*I should point out that the policy only provides cover for emergencies, so the accommodation allowance is only expected to cover an immediate and short time while arrangements are made for repairs. The policy provides cover up to £250, and Mr B needed to request it.*

*I understand from Mr B's evidence that he booked two weeks' holiday to avoid having to stay in his home while it was without heating and hot water. While I understand his reasons for going away, I don't think it's fair to expect UKI to cover the cost of his holiday. I don't plan to ask UKI to pay anything towards alternative accommodation.*

## **Compensation**

*The final point I'll address is the compensation. Mr B was unhappy with UKI's £100 compensation offer in recognition of the delays handling his claim and the poor service he experienced. UKI agreed to an increase up to £400, and our investigator proposed £750.*

*I've noted that UKI missed an appointment, turned up unexpectedly, couldn't find qualified engineers for Mr B's heating system, caused him to doubt the standard of service, and left him without heating and hot water for three weeks. I don't find this acceptable in the context of a home emergency policy. I also noted that at various points in UKI's log of events, it seems that no one was really sure what was happening with Mr B's claim and communication with him was below the standard I'd expect to see.*

*That said, the proposed compensation of £750 is more than I'd typically award in similar circumstances.*

*In light of the evidence, I'm minded to require UKI to pay £500 compensation for the shortfalls in its claim handling the failure to deal with Mr B's claim promptly.*

*I realise this is a significant change, and one which Mr B will undoubtedly be unhappy with. However, I must be fair to both parties and, here, I can't fairly say UKI is responsible for replacing the heating system, or paying compensation ordinarily awarded for longer term and repeated errors.*

I said I was minded to require U K Insurance Limited to:

- reimburse the reasonable cost of the portable heaters in line with any policy allowance;
- pay £250 towards Mr B's boiler in line with the policy allowance for a boiler deemed beyond economical repair, and
- pay £500 compensation for the shortfall in its claim handling.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

## **responses**

UKI agreed with the proposed outcome, and it didn't make any further comment.

However, Mr B didn't agree. In summary, he said the initial outcome was fair and correct based on the facts of what happened and the timeline he provided. Further to this, Mr B said the repair would've been simple if UKI had correctly diagnosed it at the outset instead of allowing unqualified engineers to work on his boiler.

Mr B also added comments to the provisional decision, highlighting areas where he disagreed.

I'll address the key points below.

## **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've decided to uphold Mr B's complaint for the same reasons and in the same way as I set out in my provisional decision.

I've looked at the comments Mr B made against the summary of the complaint. As that section just provides background, I won't address those comments separately. Instead, I'll address the overall nature of Mr B's disagreement and comment on the evidence where appropriate.

Mr B disagreed with the view that the system was faulty to begin with, and he maintains that his own engineer only recommended replacement of the boiler and cylinder because of the damage UKI caused.

I've reconsidered the independent engineer's report, but it hasn't persuaded me that UKI was responsible for the damage. Mr B's engineer confirmed the boiler and cylinder were BER, and that it likely happened when the fuses tripped. But, as I've said, UKI was in attendance when the fuses tripped because Mr B had reported a problem. I can't reasonably conclude from the evidence that UKI did something wrong to cause that, when it could equally be that the problem itself tripped the fuses. That is, the evidence doesn't persuade me that UKI's engineer caused the breakdown rather than it being an inevitable outcome regardless of who worked on the boiler. Mr B's engineer provided an opinion based on assessment of the damage and Mr B's account of the events. But I don't think it's fair to say the engineer firmly concluded that UKI caused damage to an otherwise working system.

Mr B clarified how long he was without heating and hot water, and that it was during the coldest time of year. He also said UKI only offered him one night's alternative

accommodation. The policy is to provide cover in an emergency. As such, there's no requirement for UKI to offer alternative accommodation beyond immediate respite. So I'm satisfied that its offer was in line with the policy.

I've acknowledged that UKI didn't provide a prompt or satisfactory standard of service, and that its engineers said they weren't qualified to work on his specific type of system. Mr B provided further comment on each of these matters. However, I'm satisfied these issues of complaint are addressed by the compensation I proposed.

I understand that Mr B will be unhappy with my decision, but the evidence doesn't persuade me that UKI caused damage which rendered the system BER. Therefore, I see no reason to ask UKI to do any more than I proposed in my provisional decision.

### **My final decision**

For the reasons I've explained above, and in my provisional decision, my final decision is that I uphold Mr B's complaint and U K Insurance Limited must:

- reimburse the reasonable cost of the portable heaters in line with any policy allowance;
- pay £250 towards Mr B's boiler in line with the policy allowance for a boiler deemed beyond economical repair, and
- pay £500 compensation for the shortfall in its claim handling.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 12 February 2024.

Debra Vaughan  
**Ombudsman**