

The complaint

Mr G and Ms S complain about the service received from U K Insurance Limited trading as Privilege Insurance (UKI) after trying to make a claim under their home insurance policy.

Where I've referred to UKI throughout, this also includes any actions and communication by third parties acting on their behalf, which includes their home emergency agent.

What happened

Mr G and Ms S have a home insurance policy with UKI. Amongst other things, the policy provides cover for their buildings and contents, and includes home emergency cover.

In August 2023 Mr G and Ms S were woken by their carbon monoxide alarm going off and they contacted UKI for assistance. Mr G and Ms S were referred to the gas network who attended and isolated the gas supply to their home.

Following isolation of the gas supply, Mr G and Ms S contacted UKI again. However, UKI declined to do anything further under the home emergency cover, as they said an exclusion applied in the first 14 days of the policy. Therefore, UKI refused to send anyone else to inspect the boiler or carry out repairs to it.

Ultimately Mr G and Ms S arranged for their boiler to be inspected and replaced privately, and they want UKI to reimburse them around £5,000 for the cost of this.

Mr G and Ms S complained to UKI. They believe their insurance policy has been mis-sold. They say what happened should be covered by the home emergency and wider policy cover, they also say they haven't been given any policy documents which has prejudiced their position, and that UKI have lied to them.

As Mr G and Ms S remain unhappy with UKI, they approached the Financial Ombudsman Service.

One of our investigators looked into things but ultimately, she didn't uphold the complaint. Following detailed correspondence between Mr G and Ms S and our investigator, she said UKI had acted fairly, and she didn't think the policy had been mis-sold.

As an agreement couldn't be reached, the case was passed to me for 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.

Having done so, whilst I appreciate it will come as a disappointment to Mr G and Ms S, I won't be upholding their complaint.

I'll also outline that Mr G and Ms S have provided detailed correspondence, various arguments about why their case should be upheld, and raised multiple questions about UKI's handling of things and processes. However, I don't intend on commenting on every question, argument or point that has been raised.

Instead, I'll focus on what I consider to be the key points and arguments when reaching my final decision. I don't mean this as a discourtesy to either party, instead it reflects the informal nature of this service and my role within it. But I'd like to reassure both parties that I've considered everything they've presented when reaching my final decision.

The gas leak and policy cover

Mr G and Ms S awoke to their carbon monoxide alarm alerting them to a gas leak. They evacuated their home and contacted UKI for assistance. I can understand how distressing this would be, and the concerns Mr G and Ms S had for their safety.

UKI gave Mr G and Ms S the emergency telephone number for the national gas network and also passed them through. An engineer from the gas network attended and isolated the gas supply. However, the attending engineer declined to do anything further beyond that.

Mr G and Ms S contacted UKI again whilst the network engineer was present, and the engineer explained to UKI that they had isolated the gas supply.

UKI said to Mr G and Ms S that the next step in the process would be that they would arrange for an engineer to come out under their home emergency policy cover, to inspect the boiler to determine the cause of issue and to carry out repairs.

During the questions asked by UKI to implement the next step, it was noted by UKI that the policy had recently started within the previous week. UKI said they wouldn't be able to arrange for an engineer to come out to inspect or repair the boiler as the policy had an exclusion for home emergency claims in the first 14 days.

The home emergency policy terms and conditions confirm:

"We wont pay for:

- *Loss or damage that occurs in the first 14 days of cover"*

So, I don't think UKI acted outside the terms of the policy by declining to send anyone else out, as what happened was within the first 14 days of the cover.

Mr G and Ms S have raised several arguments and concerns about this. I'll comment on the points I consider key here.

UKI passed Mr G and Ms S through to the emergency gas network and gave them the number. Mr G and Ms S argue that by doing so, UKI has waived the 14-day exclusion period.

I don't agree it has been waived. Instead, UKI provided assistance to Mr G and Ms S in resolving the immediate gas leak issue, by directing them to the emergency gas network who isolated the supply. I don't agree this means they have waived the 14-day exclusion. The alternative would have been for UKI to say to Mr G and Ms S that they wouldn't do anything at all. So, by directing them for assistance, I don't think this has been detrimental to Mr G and Ms S or means the exclusion should be, or has been, waived.

Mr G and Ms S have also said that the gas network emergency call out service to isolate a supply is a free service available to anyone. Therefore, they say they are paying for home emergency cover which provides nothing more than they could already get for free.

I'm afraid I don't agree with this. Firstly, the level of insurance cover Mr G and Ms S have with UKI includes home emergency cover as standard, rather than at an additional charge as an add-on. But I do agree that it is likely that this is factored into the overall cost of the policy to some degree. However, the policy provides much wider cover than simply for boilers, for example it covers plumbing and drainage, electric supply issues, pests and security. And it provides £500 of cover for call outs and repairs.

Therefore, whilst the gas network attending and isolating the supply may be a free service anyone can use, the home emergency cover Mr G and Ms S have provides much more than this, subject to a covered event occurring and an exclusion not applying. It's unfortunate that the gas leak occurred within the first 14 days as this means the exclusion applied, but if it was after this period, then further assistance would have been provided. Therefore, I can't agree the home emergency cover provides no more than Mr G and Ms S could have already obtained for free.

Mr G and Ms S also complain that UKI told them a fee was charged by the gas network and that isn't true. But whether Mr G and Ms S were given incorrect information about this or not, it hasn't resulted in any detriment to what happened in any event. For the reasons outlined, I think UKI acted fairly by refusing to appoint anyone further and whether they were told a fee was charged to UKI or not, that doesn't change anything overall as the claim still occurred in the first 14 days so wasn't covered.

Mr G and Ms S also say that the home emergency cover provides £500 for call outs and £250 for a replacement boiler. I don't dispute that. But the point here is that a callout wasn't covered in the first place, because the 14-day exclusion applied. The replacement boiler cover of £250 also applies where UKI deem it beyond economic repair. But because the event occurred in the first 14 days it wasn't covered in any event, so the boiler wasn't inspected and deemed beyond repair by UKI and therefore the £250 contribution doesn't apply either.

Mr G and Ms S also say that the boiler should be covered under the main buildings and contents part of their insurance policy. They've referred to the fact they have accidental damage cover. Accidental damage cover is defined as:

“Accidental damage is sudden unintentional physical damage that happens unexpectedly.”

But I can't see that Mr G and Ms S have claimed for physical damage to their buildings. Instead, they claimed for a gas leak. And subsequently arranged for replacement of their boiler. Having looked at the policy terms, the buildings and contents cover doesn't provide for simply paying the cost of replacing a boiler if it suffers a leak or breakdown.

If Mr G and Ms S have any evidence that their boiler was physically damaged, and that this was due to an event covered by their policy, they should send this to UKI for consideration. But based on what I've seen, the policy doesn't provide for replacing boilers in the absence of an insured event such as accidental damage (as defined), a fire or flood.

Mr G and Ms S have also argued that their buildings and contents policy doesn't explicitly exclude boilers, and therefore they say this means it is covered. However, I don't agree.

The insurance policy Mr G and Ms S have covers insured events, known as insured perils. For example, storm, flood or theft. For a claim to be covered, one of these insured events needs to have occurred. But the policy also contains exclusions too. So, an insured event needs to have occurred, which isn't then defeated by an exclusion in the policy. Insured perils policies are the most common type of policy in the property insurance market.

There are less common (and often considerably more expensive) policies available in the market known as 'all-risk', and these work differently. Instead of specific insured events, they generally cover the wider event of 'damage' unless it's otherwise specifically excluded.

But Mr G and Ms S don't have an 'all-risks' policy. So, it isn't the case that because their policy is silent on boilers being covered that they are, in contrast, if the policy is silent on boilers being covered, they aren't.

The policy documents

Mr G and Ms S have maintained they haven't received their policy documents, and therefore UKI have never told them about the cover they had. They've presented this argument in various ways, to describe how UKI has prejudiced their position.

For example, Mr G and Ms S say they were unaware of the home emergency policy exclusion for the first 14 days. They also say they were unaware the building and contents part of their policy didn't cover boilers, and because they weren't made aware of this, they say they were denied their cooling off rights to move elsewhere to a policy which did provide this cover.

Mr G and Ms S say they didn't receive their documents after purchasing the policy, and haven't ever been able to access them, so they say they still don't know what cover they have.

Firstly, UKI has provided evidence that the policy documents were sent on 1 August 2023, the day after purchase and three weeks before the policy started. Mr G and Ms S argue that this doesn't mean they were received by them. However, UKI has shown they were sent, and I wouldn't be able to hold UKI responsible if they weren't received.

But in any event, when Mr G and Ms S called to make their home emergency claim, they said they had UKI's letter dated 1 August 2023. The letter which was sent to Mr G and Ms S at this time was their welcome pack, and the letter outlined that it included the schedule, policy wording booklet and information enclosure.

Given UKI has demonstrated the documents were sent, and in this phone call Mr G and Ms S referenced having a letter from UKI dated 1 August 2023 in front of them, on balance, I'm persuaded they were sent and received. And if any of the listed documents weren't contained within this, Mr G and Ms S could've contacted UKI at the time to request these.

Mr G and Ms S have said they haven't been able to access their documents online. But UKI say this is because they opted for postal copies when purchasing the policy. And like I say, I'm satisfied they were sent postal copies which were, on balance, received.

Mr G and Ms S also sent us a copy of an email from 31 July 2023 which was sent by UKI after policy purchase, and this has two links within it to the policy booklet (it also said the policy documents would follow by first class post) which Mr G and Ms S could have contacted UKI about if these links didn't work as they say. And the policy terms were also

available on UKI's website too. So, I think UKI has sufficiently demonstrated the policy terms were both sent, and available to Mr G and Ms S after policy purchase.

Furthermore, Mr G and Ms S have continued to say they have no idea what their policy covers, as they've never received the documents. And they maintain this is the case several months after making the claim which was refused. They've said they haven't received their "full suite" of policy documents.

However, Mr G and Ms S have sent this service a full copy of their policy terms. And they'd referred to the letter of 1 August 2023 in their call with UKI, which was their welcome pack including schedule and documents. So, it's unclear what additional documents they expect to, or expected to, receive. And within the documents they've provided us is the full copy of policy terms, which outlines the cover they have.

Was the policy mis-sold?

Mr G and Ms S allege the policy was mis-sold, because they say UKI misled them into purchasing cover.

However, Mr G and Ms S purchased their insurance policy with UKI online. UKI wasn't involved in the sale of the policy, and it was for Mr G and Ms S to review all the information available in order to decide whether the policy was suitable for their needs.

Mr G and Ms S have provided screen shots which they say mis-led them into believing they have 'full' boiler cover. I can see the screen shot relating to home emergency cover does say "things like fixing the boiler" and Mr G and Ms S did have that cover, but that cover was subject to policy terms and conditions and exclusions. And the same screen shot also confirms "Please see the policy documents for full details of the optional extra". The same was also present in the screen shot Mr G and Ms S provided for accidental damage. So, I think this made Mr G and Ms S aware that this wasn't the full policy terms.

Following the initial quote on the comparison website, Mr G and Ms S were transferred directly to UKI's website to complete the purchase. I've seen an example of the online sales process, and the home emergency cover section explained that there was a 14-day exclusion.

Mr G and Ms S argue this wasn't for their specific sale and is generic so can't be considered, but I have no reason to conclude they received a different and misleading sales journey, as they haven't provided sufficient evidence to support that their sales journey implied their boiler was covered fully for replacement without any terms or exclusions.

And in any event, as I said above, I'm persuaded UKI has done enough to show the policy documents were sent, and were also available, after the sale – which was three weeks before the policy started. So, Mr G and Ms S could've cancelled the policy before it started, or used the 14-day cooling off period, if they thought the cover wasn't actually suitable for their needs after purchase.

With the above in mind, I won't be directing UKI to do anything further.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Ms S to accept or reject my decision before 15 April 2024.

Callum Milne
Ombudsman