

The complaint

Mr M is unhappy about the resolution of his claim with Inter Partner Assistance SA (“IPA”) under his home emergency policy.

What happened

Mr M made a claim for an engineer to attend his property when his boiler had broken down. His family was without heating and hot water. The engineer didn’t attend at the appointed time, so IPA paid £50 in compensation for the inconvenience caused.

The engineer attended a day later. Mr M said the engineer advised him the diverter valve was the broken part. The engineer also noted the age of the boiler (over 20 years old). Mr M said the engineer informed him that his insurer would be in touch.

IPA, based upon the engineer’s report deemed the boiler to be beyond economic repair. It offered Mr M £250 which was the policy limit for a single issue.

Mr M was unhappy as he thinks IPA should’ve fixed the valve, which he estimated would cost £200-£250. He said his family was left without hot water and heating for over two weeks.

Our investigator decided not to uphold the complaint. She thought IPA had made a reasonable decision based upon the engineer’s comments and had settled the claim in line with its terms and conditions. Mr M disagreed, so the case has been referred to an ombudsman.

My provisional decision

I made a provisional decision on this on 12 June 2024. I said:

“I’m going to uphold this complaint as I don’t think IPA’s policy clearly sets out expectations in these circumstances or do I think it has managed the claim itself in an expert way.

IPA and Mr M have a differing opinion on what the right course of action was. Mr M thinks IPA should’ve tried to fix his boiler, whereas IPA decided as it was beyond economic repair that it was appropriate to pay the policy limit of £250.

My assumption is the boiler was beyond economic repair, as IPA’s engineer had reached this conclusion and I haven’t seen any evidence that conflicts this.

I’ve reviewed the terms and conditions as these should set out the parameters of how a claim is handled. The policy conditions don’t reference what should happen if a boiler is beyond economic repair.

I appreciate Mr M felt the faulty part could be replaced. It's not possible to say one way or the other whether this would've been successful. However, when a boiler is over twenty years old, I don't think it's unreasonable for it to be considered beyond economic repair. Fixing one part, often leads to stress then been applied to a different part of the boiler and due to its age another part often fails.

I think IPA was reasonable in saying it wasn't sensible to fix the boiler. Instead, it paid the maximum settlement available under the policy, which was £250. I think this is fair. If Mr M wanted to try and fix the boiler, he could've done so through a private contractor. But equally, he could've used the settlement as a contribution to a new boiler. I've also noted, the engineer had commented that replacing the part in question, often leads to further leaks on the boiler. So, I can't say the outcome IPA reached was incorrect.

IPA's engineer, based upon his expertise, didn't think it was worth replacing the faulty part. I think he probably thought it likely it would only have a relative short period of success. Even though the cost to provide a fix was less than it had to pay in settlement, I think it took the responsible action and paid more (the maximum on the policy).

However, I do think Mr M was let down in the service he received. His family was left without heating and hot water, which would've caused stress and inconvenience. This wasn't ultimately down to IPA, as it had nothing to do with the boiler breaking down. However, it failed to attend the scheduled appointment which caused a one-day delay.

I think the terms and conditions of the policy could've been clearer in setting out the likely course of events when the boiler is deemed beyond economic repair. I think the engineer could've communicated better with Mr M and managed his expectations when visiting the property. I think if the engineer had taken time to properly explain the reasons behind his decision, then Mr M would've understood this better and possibly accepted the situation.

However, I've noted Mr M was aware later that day (of the engineer's appointment) of the outcome of his claim, as that's when he raised his complaint. Therefore, I think the impact of IPA's poor service was only for a short period of time. So, any compensation I decide will be limited and reflect the short period of impact.

In addition to the £50 compensation paid for the delay, I intend to award a further £100 compensation for the distress caused by mismanagement of Mr M's expectations.

I appreciate Mr M may still have wanted to take the risk on repairing the faulty part, but I think he still had this opportunity if he'd accepted the £250 settlement offered. Mr M can still accept the £250 settlement if he hasn't yet been paid".

Responses to my provisional decision

Mr M accepted my provisional decision. He asked for confirmation that he'd be paid £400 by IPA in total.

IPA didn't respond to my provisional 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.

As I haven't received any new information, I see no reason to change my provisional decision.

As Mr M has indicated he is now willing to accept the settlement from IPA. IPA need to pay him £250 settlement (for contribution to a new boiler) as it was deemed his boiler was beyond economic repair. It has already paid him £50 for the delay (if for some reason this still hasn't been paid, then IPA should still pay this). In addition, I awarded a further £100 compensation. So, in total IPA will need to pay Mr M £400.

My final decision

My final decision is that I uphold this complaint. I require Inter Partner Assistance SA to pay Mr M:

- £100 compensation – for distress and inconvenience (plus £50 it offered if it hasn't already paid this).
- £250 settlement – for contribution to a new boiler.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 July 2024.

Pete Averill
Ombudsman