

The complaint

Mr P complains about the service he received from One Insurance Limited (OIL) when trying to make a claim under his home emergency insurance policy.

Where I've referred to OIL, this also includes any action and communication by agents acting on their behalf.

What happened

Mr P has a home emergency insurance policy underwritten by OIL. On 22 October 2023 Mr P's boiler stopped working so he contacted OIL for assistance.

An engineer was arranged to attend the following day. On 25 October 2023 Mr P contacted OIL as an engineer still hadn't attended, and he asked for a call from a manager and was advised that he would be contacted in three to five days.

Mr P called again on 3 November 2023 as an engineer still hadn't attended, and he also hadn't received a call from a manager. OIL advised that he would receive a call back in three to five days, and they also said Mr P had himself cancelled the engineer attendance during the previous call. The claim was reopened and OIL said they'd arrange an engineer.

On 6 November 2023 Mr P called OIL again as no one had visited, and he also hadn't received a call back from a manager. Mr P advised that due to the delays in an engineer attending, he'd privately arranged for his boiler to be repaired.

OIL issued a response to Mr P's complaint. In this they recognised the service provided to Mr P was poor and offered £125 compensation.

As Mr P remained unhappy with OIL, he approached the Financial Ombudsman Service.

One of our investigators looked into things and upheld the complaint. She didn't agree that Mr P had cancelled the engineer visit, and she said OIL was responsible for the delays. The investigator said that due to OIL's poor claim handling, Mr P was without a working boiler for several days and he needed to chase OIL, along with ultimately arranging repairs himself. So, she said that OIL should increase the compensation from £125 to £300.

The investigator also said that OIL should consider the repair invoice for private works, and reimburse Mr P for the costs of repair, labour and parts that they would have incurred if their engineer had attended.

OIL responded and said they'd consider the invoice and what it would have cost them, but they didn't agree to increase the compensation as they maintained it was Mr P that cancelled the appointment.

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

I was minded to reach a slightly different outcome to our investigator, so I issued a provisional decision to give both parties an opportunity to comment on my initial findings before I reached my final decision.

What I provisionally decided – and why

In my provisional decision, I said:

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

I’ve reached a slightly different outcome to our investigator, so I’m issuing a provisional decision to give both parties an opportunity to comment on my initial findings before I reach my final decision.

Mr P has a home emergency policy which provides cover for, amongst other things, emergency repairs to a boiler following a breakdown. And the policy has a claim limit up to £750 for labour and parts, per claim.

Mr P’s boiler stopped functioning, so he contacted OIL to make a claim. I’ve outlined the timeline above, and ultimately Mr P was without a functioning boiler for around two weeks, and it was only repaired at that point as Mr P arranged his own repairs.

I’ve listened to the calls between Mr P and OIL. And I don’t agree with OIL that it was Mr P that cancelled the engineer appointment. Instead, he asked about cancelling the policy, and the agent asked if he still wanted someone to attend and he confirmed he did. So, the call recordings support that the cancelling of the engineer was by OIL, but not at Mr P’s request. But in any event, even after this and Mr P confirming he still did want an engineer to attend, they still didn’t.

During the calls, Mr P asked how long he should wait for an engineer, and OIL wasn’t able to give any indication on timescales beyond attendance would be as soon as possible. Whilst the policy terms don’t outline a specific timescale for repairs to be completed, I wouldn’t expect that to be a significant period, given the purpose of the policy is to resolve emergency situations.

The policy terms outline:

“We will make sure that an engineer/repairer will contact you within two hours and arrange a suitable appointment time.”

But, in Mr P’s circumstances, an engineer didn’t visit him, and no appointments were made after the first appointment when the engineer failed to arrive.

In an attempt to move things forward, Mr P asked to speak to a manager. He was told he would be called back in three to five days, on two different occasions, but despite this, the calls weren’t made.

OIL has accepted the service they provided fell short, and they've offered £125 compensation. But like our investigator, I don't think this is enough in the circumstances. Our investigator recommended this be increased to £300, but I'm minded to direct OIL to pay a different amount to this.

Overall Mr P was without a functioning boiler for 15 days. An engineer should have attended the day after as arranged, and I don't know for certain whether they would have had parts for repair or would need to order these. Either way, there would always have been a small period without a functioning boiler. Beyond that original failed appointment, Mr P was without a functioning boiler for an additional 13 days.

Whilst I appreciate it was a very frustrating experience for Mr P, I'm inclined to conclude a total of £200 compensation would be a reasonable amount in the circumstances for this period and the overall service Mr P received. So, unless anything changes as a result of the responses to my provisional decision, this is how much I'll be directing OIL to pay Mr P.

Mr P has provided a copy of the invoice for repairs totalling £325, and this confirms what the issue was:

"located problem to a seized heating pump. replaced pump and reset boiler (F5) tested system. Price includes parts and labour."

Mr P's policy covers up to £750 for parts and labour. So, it appears that this would be something which would've been covered by his policy had OIL actually attended.

Our investigator said that OIL should consider Mr P's invoice for repairs and pay what it would have cost them had their engineer attended. However, I'm minded to reach a different conclusion on this, as I don't think this would be fair to Mr P. I'll explain why.

It's often the case that insurers will receive preferential rates from suppliers. It was only because of OIL's failures that Mr P had to arrange his own repairs, and if OIL had attended, he wouldn't have needed to.

So, by OIL settling based on what it would have cost them had they attended, there is the possibility that this would be less than Mr P actually incurred in having repairs completed. As Mr P only incurred those costs due to OIL's failings, reimbursing the costs Mr P actually incurred is fairer in the circumstances.

As the policy covers up to £750 for parts and labour and the cost incurred was less than this, unless anything changes as a result of the responses to my provisional decision, I'll be directing OIL to reimburse Mr P the £325 repair costs he incurred.

As Mr P shouldn't have needed to arrange and pay for his own repairs and has been deprived of funds he otherwise shouldn't have been, unless anything changes as a result of the responses to my provisional decision, I'll also be directing OIL to add 8% simple interest from the date Mr P paid the invoice to the date of reimbursement."

So, I was minded to uphold the complaint and to direct OIL to:

- Reimburse Mr P the £325 he paid for repairs
- Add 8% simple interest from the date Mr P paid the repair invoice to the date of settlement
- Pay Mr P £200 compensation (including the £125 already offered)

The responses to my provisional decision

Mr P responded to say he was happy with the provisional decision.

OIL didn't respond to the provisional decision by the deadline to do so.

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.

And I've thought carefully about the provisional decision I reached. As neither party has provided anything that would lead me to reach a different conclusion, my final decision remains the same as my provisional decision, and for the same reasons.

My final decision

It's my final decision that I uphold this complaint and direct One Insurance Limited to:

- Reimburse Mr P the £325 he paid for repairs
- Add 8% simple interest* from the date Mr P paid the repair invoice to the date of settlement
- Pay Mr P £200 compensation (including the £125 already offered)

* If One Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr P how much it's taken off. It should also give Mr P a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 August 2024.

Callum Milne
Ombudsman