

The complaint

Mr S has complained about the way Evolution Insurance Company Limited acted in relation to a Home Rescue policy.

What happened

The circumstances aren't in dispute, so I'll summarise the background:

- Mr S took out a Home Rescue policy through a company I'll call H. The insurance part of the policy was underwritten by Evolution. The non-insurance part was provided by H. And H also acted as the administrator of the policy. To keep things as clear as possible, reference to Evolution includes H when it was acting on Evolution's behalf. Reference to H is when H was acting in its own right.
- When Mr S' heating stopped working, he got in touch with Evolution and it sent an engineer. Mr S recalls the engineer saying they needed to order parts to complete repairs and restore the heating. But before anything further was done, Evolution told him the problem had been resolved.
- Evolution sent another engineer, who also said parts needed to be ordered. Mr S says after that the hot water also stopped working. Evolution then said the system had to be drained down to fit the parts – but that wasn't covered by the policy.
- A few days later, Evolution said the policy didn't cover the replacement of the parts, so he would have to pay for that work too. That meant none of his claim was covered by the policy. H offered to carry out the work privately.
- Mr S complained. He questioned why none of the work was covered and said neither engineer had explained a drain down was required or that it wouldn't be covered by the policy. He was also unhappy with the time it had taken to reach an outcome for this claim, noting he was without heating during that time.
- Evolution said the policy didn't cover a drain down of the central heating system, but it accepted it hadn't told Mr S this promptly. It also accepted other failings in its service. To put things right, Evolution offered to pay £30 for additional heating and refund three months of premiums. And it indicated it would cover the other repairs.
- Mr S referred his complaint to this Service. Evolution told us it didn't think we could consider Mr S' complaint because it didn't relate to a Regulated Activity.
- In a previous decision, I found we had the power to consider the complaint insofar as it related to the insurance features section of the policy. That meant we could consider how Evolution handled the claim under the policy. But we couldn't consider any offer outside the policy.
- Our investigator considered the complaint within these parameters and thought

Evolution had acted fairly. Mr S disagreed and asked for his complaint to be referred to an Ombudsman.

My provisional decision

I recently issued a provisional decision in which I said:

I'll split my findings into two main parts – what should be covered under the policy and the way the claim was handled.

Policy cover

- The insurance features section of the policy includes cover for central heating breakdown. There's no dispute Mr S' central heating broke down.
- This section of the policy also says a drain down of the central heating system isn't covered. And, if Evolution is unable to restore central heating, it will provide two portable heaters.
- Evolution said the required repairs meant a drain down was necessary. I haven't seen any other professional opinions to challenge this, so I accept what Evolution has said.
- I think it's clear a drain down isn't covered by the policy. So I'm satisfied Evolution acted fairly and reasonably when it declined to carry out the drain down under the policy. And as it's not something covered by the policy, I wouldn't expect the policy to specify details about how it might be offered privately, such as the cost of it.
- That meant it was up to Mr S to accept H's offer to carry it out privately, or to arrange for it to be done by another company, before the other repairs could be carried out.
- Evolution's position on the other repairs was less clear. It initially indicated they were covered by the policy. It later said they weren't covered because the "*engineer has identified issues that have potential to impact the performance of your central heating system*". But it didn't quote a policy term and I can't see one along these lines. But, by the time of the complaint response, Evolution said Mr S only needed to pay for the drain down, following which Evolution would carry out the drain down and the repair.
- As a result, I consider Evolution has accepted the claim for the other repairs – it's only the drain down that isn't covered. Even if it hasn't accepted the claim, I think it should do so on the strength of the current evidence – it's not clear what policy term it might be relying on to decline the claim or why that would be fair.
- Mr S has paid an excess fee. That's a contractual requirement set out in the policy, and the claim has been accepted, so I'm satisfied that's fair and reasonable.
- Evolution said it had been unable to supply the heaters in line with the policy terms. As a result, it offered to pay Mr S £30. It's unclear why Evolution couldn't supply the heaters, but it's accepted it didn't act in line with the policy, so the key question for me is what Evolution should do to put that right. I understand Mr S spent around £50 on heaters, so I think that would be a fairer amount for Evolution to pay. I know Mr S says he paid more than that to maintain the heaters, but those costs aren't covered by the policy, so I don't think it would be fair to require Evolution to meet them.

Claim handling

- Mr S is unhappy with the way the claim was handled and I can understand why.
- The first engineer carried out some work and Mr S recalls him saying parts needed to be ordered to put the problem right. But Evolution gave the impression it wouldn't do anything further. When Mr S questioned this, Evolution sent a second engineer, who also said parts needed to be ordered – so things didn't progress as promptly as they should have done.
- Evolution then said a drain down of the system was required in order for it to carry out the work – and the drain down wasn't covered by the policy. But it hadn't previously told Mr S that. It later told Mr S that none of the other repairs were covered by the policy either – before seemingly reversing that decision.
- I think Evolution accepts it should have handled the claim better as it noted it had caused a delay and apologised for causing inconvenience. It also offered a refund of three months of premiums, which comes to around £40.
- I note the original reason for the claim was because Mr S' heating stopped. And during the claim, he made Evolution aware his hot water had stopped too. This happened during early January, when it would have been very cold. I also note Mr S has described himself as being disabled and vulnerable. In these circumstances, I expect each day of delay had a considerable impact on him – and the poor communication would only have added to his distress and inconvenience.
- I'm not satisfied that Evolution's offer of compensation goes far enough to put things right in the circumstances. I consider £150 would be fair and reasonable. Together with the £50 for heaters, that makes a total of £200 compensation. This excludes the drain down cost reduction since it's outside the scope of the complaint.

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.

- Mr S didn't respond to my provisional decision.
- Evolution made a number of points and asked me to reconsider the matter. Evolution also asked me to respond to those points and give it a further opportunity to consider things – but that's not how the process works. I set out my provisional decision and give both parties an opportunity to respond. Unless my position changes, I go on to make a final decision – without inviting further comment from either party.
- Evolution confirmed the parts and the installation of them is covered under the policy. It's only the drain down that isn't covered. I'm satisfied this is a fair position for Evolution to take, for the same reasons as I gave in my provisional decision.
- Evolution said engineers usually provide heaters. And, if they can't, it will offer £30 as that is how much it costs Evolution – so the amount Mr S spent is irrelevant. Had Evolution offered the heaters, I may have agreed it was fair for it to limit the amount it pays Mr S to its own cost. But, as it didn't do so, it left Mr S to buy his own. And the policy doesn't specify an amount or limit. So I consider his cost is relevant. As a result, I maintain it's fair and reasonable for Evolution to pay £50 for the heaters.

- The remainder of the points Evolution made are about the claim handling. It says the first engineer had confirmed the heating and hot water were 'all ok'. So, contrary to Mr S' recollection, they didn't say they would order parts and complete repairs. But this is inconsistent with what Evolution has said before. When it responded to the complaint, it accepted the engineer may have said something in line with Mr S' recollection, and the delay taking the next steps had been caused by an internal oversight. Evolution has referred to the engineer's 'report' to support its current position, but it's extremely limited. In any case, the second engineer said parts needed to be ordered only a matter of days after the first engineer visited. In these circumstances, I still consider there was an avoidable delay and miscommunication.
- Evolution also said it was prompt in explaining the next steps to Mr S, including clarifying administrative errors. For the reasons set out above, I remain satisfied there were some delays and poor communication, which caused inconvenience. Evolution has accepted that. Whilst I don't think these service failings led to long delays or long periods of misunderstanding, I think they had a considerable impact on Mr S due to his particular circumstances – which I explained above.
- I know Evolution considers the offer it made to Mr S went far enough to compensate him for the inconvenience he suffered. That was £30 for the heaters and around £40 for a refund of three months of premiums. I didn't include the drain down cost reduction since it's outside the scope of the complaint. I remain satisfied around £70 is insufficient and a total of £200 is a fair and reasonable amount in the circumstances of this complaint.

My final decision

I uphold this complaint.

I require Evolution Insurance Company Limited to:

- Accept the claim for the repairs, excluding the drain down
- Pay a total of £200 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 October 2024.

James Neville
Ombudsman