

The complaint

Mrs B complains that ARAG Legal Expenses Insurance Company Limited (ARAG) unfairly declined two home emergency claims.

Mrs B's policy is underwritten by ARAG, which previously operated as DAS Legal Expenses Insurance Company Limited (DAS LEI). Her policy documents refer to DAS LEI as the underwriter and her claims (and complaint) were handled by DAS LEI. My decision will refer to ARAG as they are the current underwriter of Mrs B's policy, and liable for claims made on it.

Mrs B has a representative acting on her behalf, but for ease of reading I'll refer to Mrs B throughout.

What happened

Mrs B complained to ARAG as she felt they had unfairly declined two claims under her home emergency policy. The first related to a problem with her front door, as she said it wasn't working properly and her home was therefore insecure. The second claim related to a loss of hot water.

To investigate Mrs B's door claim, ARAG sent a locksmith to her home on the same day she reported it. Following his inspection, the locksmith explained that some work was necessary to improve the door's condition, but it still worked, and Mrs B's home was therefore safe and secure. Mrs B wanted him to change the lock mechanism and make some improvements to the door, but he declined her request, and said it wasn't necessary to resolve the home emergency. Mrs B continued to say her home was insecure, so a few days later, ARAG arranged for a different locksmith to inspect her door. However, he also concluded that no work was required under the terms of the policy.

In relation to the hot water claim, an engineer inspected Mrs B's boiler, and explained a power flush was needed due to a build-up of dirt in the heat exchanger. However, he declined to complete this, as he said the blockage had developed over time, and maintenance issues aren't covered under the terms of the policy.

Mrs B didn't accept ARAG's response to her complaint, so she referred the matter to our service. After carefully considering both claims, an investigator concluded Mrs B had been treated fairly, and issued an opinion explaining the reasons why.

Mrs B didn't accept the investigator's outcome. In summary, she said her door should have been repaired under the policy terms, she didn't agree the problem with her boiler related to a maintenance issue, and she was unhappy the need for a power flush wasn't raised as part of any of her previous successful boiler claims.

So, I've considered the complaint afresh.

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'm sorry to disappoint Mrs B but I don't uphold this complaint. I'll now explain why.

ARAG have an obligation to handle insurance claims promptly and fairly. And they mustn't unreasonably decline a claim.

Mrs B has referred to the Consumer Duty which I've taken into account as it's a relevant consideration. Principle 12 of the Financial Conduct Authority's Principles for Businesses ('the Consumer Duty') says a firm must act to deliver good outcomes for retail customers which includes avoiding causing foreseeable harm.

I've considered the agreement that was made between Mrs B and ARAG - the policy terms and conditions. On page six of the policy wording, it says:

(a) Your policy covers you for INSURED INCIDENTS that are sudden, unexpected, and require immediate corrective action to:
(i) prevent damage or further damage to your home;
(ii) make your home safe or secure; or
(iii) relieve unreasonable discomfort, risk or difficulty to an insured person.

On page seven, it lists the insured incidents, and this includes *"Damage to, or the failure of, external doors, windows or locks which leaves your home insecure"*.

In light of the above, I'm satisfied Mrs B's concern that her front door wasn't secure formed a home emergency, and ARAG therefore acted reasonably by promptly arranging for her door to be inspected.

I've reviewed both locksmith's findings and note that while they both felt some improvement works were needed to elevate the door's general condition, on both occasions, they were satisfied the lock and door worked. So, this meant, they didn't need to complete any action to help make sure Mrs B's home was secure.

I appreciate the reasons Mrs B remains unhappy with the condition of her door, but based on the above, I think her claim was responded to fairly. ARAG were only required to resolve the home emergency, and I'm satisfied they did that here, as Mrs B's door was able to close, and her home was left safe and secure.

Turning to the hot water claim, page seven of the policy wording lists *"sudden failure to function of the main heating system in your home"* as an insured incident. I'm satisfied Mrs B's claim that she didn't have any hot water complies with this, and it was therefore appropriate for ARAG to have arranged for an engineer to investigate the problem in the first instance.

As mentioned above, ARAG's engineer then declined to carry out any work to restore the hot water as he said the problem related to a maintenance issue. I've therefore considered the relevant policy exclusion and note that it says:

A claim relating to the failure of equipment or facilities that results from them being incorrectly installed, repaired, modified or maintained, or that is caused by a design fault that makes them inadequate or unfit for use.

I've also considered the engineer's report to understand why he concluded the problem related to a maintenance issue. Having done so, I can see he said a power flush was required to restore the hot water, due to a build-up of dirt in the heat exchanger.

Mrs B has said she disagrees with the engineer's report as he didn't complete a water test, her radiators worked perfectly and there wasn't a blockage of dirt in the system. However, as the report was completed by a suitably qualified expert, I don't think ARAG acted unreasonably by relying on the recommendations within it.

Mrs B has also said she wasn't aware of the maintenance issue, and feels ARAG let her down, by not mentioning it as part of any of her previous claims. I respectfully disagree with this, as on each of those previous occasions, the appointed engineer would only have been instructed to resolve the specific problem/home emergency that was raised with them. They therefore wouldn't have completed a full service or been obligated to give any maintenance advice.

In any event, even if the previous engineers had indicated that a power flush would be needed, Mrs B would still be in the same position as she is now, as this work falls outside of the cover provided under the policy. I appreciate Mrs B is likely to strongly disagree with me, but I'm satisfied the above maintenance exclusion is clear, and it reasonably applies to her claim as the dirt blockage built-up over a period of time.

Lastly, Mrs B has referred to a different decision issued by our service and has raised a concern about consistency. It's important I explain that each case is decided based on its individual merits, and this can therefore result in a range of different outcomes. Having carefully considered the specific circumstances here, I'm satisfied ARAG considered both of Mrs B's claims fairly and they haven't done anything wrong.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 14 March 2025.

Claire Greene
Ombudsman