

The complaint

Miss G is unhappy with the service she received from Accredited Insurance (Europe) Limited (AIL) when she claimed under her home emergency policy.

What happened

The background to this complaint is well-known to both parties, so I've summarised what I think are the key events.

Miss G had a home emergency policy with AIL which provided cover for emergency boiler repairs to a maximum of £300 per claim, and up to £100 contribution for alternative heating. On the evening of 31 January, she claimed under the policy when her boiler stopped working, leaving her without heating and hot water.

An engineer visited the following day and diagnosed the fault, explaining that parts would need to be ordered and a repair quote authorised. Miss G contacted AIL again which told her she could buy heaters and it would reimburse the cost in line with the policy. When Miss G contacted AIL again, it said the boiler was uneconomical to repair so it wouldn't be providing any further cover under the policy.

AIL said it would pay the difference between her policy limit and the callout charge as a gesture of goodwill. The remaining amount was £128 which AIL paid, including £2 it had underpaid when it reimbursed Miss G for her heaters.

Miss G got quotes for the repair from local engineers in the region of £400 plus VAT before going on to have the boiler fixed under the manufacturer's fixed price scheme for £345.

Miss G complained to AIL. She said:

- The engineer's repair quote was inflated which had caused the repair to be considered uneconomical.
- AIL's delay telling her it wouldn't carry out a repair caused her to be without hot water and heating for a week.
- AIL should contribute the policy maximum rather than deducting the engineer's call out fee.
- AIL should pay compensation for the poor service.

AIL didn't uphold Miss G's complaint. It set out the timeline of events showing that it had declined to provide further cover by the evening of 2 February, but it offered £50 as a gesture of goodwill in recognition of the inconvenience and distress the matter caused. Miss G didn't think that was enough, so she brought her complaint to this service.

Our investigator thought AIL had responded to Miss G's claim in line with the policy. He said the policy only covered repairs up to £300 and AIL had confirmed it wouldn't provide a repair within three days of Miss G making the claim. Our investigator didn't identify any evidence to show that the repair quote was inflated, and he thought AIL's offer of £50 as a gesture of goodwill was fair in the circumstances. Our investigator didn't think there was anything more

for AIL to put right.

Miss G didn't agree. She said:

- The £128 wasn't a gesture of goodwill, it was reimbursement towards the repair that she organised herself, and to which she was entitled under the policy.
- Although AIL responded within three days, she had to constantly chase up. If AIL had acted promptly, she would've had time to organise for local engineers to complete repairs sooner.
- Her complaint that AIL's quote was three times higher than those received from local engineers, leading to her boiler being written off, was not addressed. If the quote had been more reasonable, the claim would've been accepted, and her boiler would've been repaired sooner.

Because Miss G didn't agree with our investigator's view, the complaint was passed to me to decide.

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've decided not to uphold Miss G's complaint for broadly the same reasons as our investigator. I'll explain why.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And that they mustn't turn down claims unreasonably.

The policy sets out the detail of the contract between Miss G and AIL, so I've included the wording from relevant parts of the policy where I think it helps explain the reasons for my decision.

AIL's repair quote

Miss G said the engineer's quote was inflated which was why it decided her boiler was uneconomical to repair. She provided copies of text messages from her local engineers which reflected quotes around a third of that provided by AIL. As such, Miss G doesn't agree that her boiler would've been uneconomical to repair.

The quotes Miss G provided are exclusive of VAT and don't include a warranty. AIL's quote included both VAT and warranty, so I can't say the quotes are wholly comparable. AIL included labour charges for three hours, which Miss G said was too much. AIL is entitled to quote for the time it thinks the work would take, so I don't think that was unreasonable.

The policy states:

We don't cover:

9. repairing any boiler that we assess to be uneconomical

Uneconomical is defined in the policy as:

A repair is considered to be uneconomical if the cost to repair the item (including parts and labour) is more than 75% of the cost of replacing the item as new.

I've thought about the age of Miss G's boiler, the likelihood that further repairs might become necessary, that it was outside the manufacturer's warranty, and AIL's quote for repair. Having done so, I'm persuaded that AIL reasonably concluded it was uneconomical to repair the boiler. To be clear, that doesn't mean AIL thought the boiler couldn't be repaired, just that it wasn't worth the cost and risk of further charges for future faults.

Delays

Miss G said she had to chase action and AIL's delays caused her to be without heating and hot water for a week.

The timeline of events shows that around 48 hours after she made her claim, AIL told Miss G that it wouldn't be completing a repair. AIL confirmed that it gave Miss G this information when she called to check progress, so I accept that she felt she was doing the chasing. The evidence indicates that AIL had set an action to contact Miss G the following morning.

The policy Miss G had was for emergency repairs. AIL couldn't complete a repair at the first visit, therefore it would've needed to cost the repair and order parts. I don't find that a delay of two days was unreasonable.

Miss G said had she known sooner, she could've contacted local engineers sooner too. The evidence shows that Miss G sent the first text message to a local engineer on 31 January. Given the message content, it seems unlikely that was when it was sent. I see that one engineer didn't get back to Miss G until she'd already arranged a repair. It seems another attended but Miss G then chose to wait for an appointment under the manufacturer's fixed price repair scheme.

As the evidence shows Miss G waited for a repair appointment priced at an amount acceptable to her, I can't reasonably conclude that AIL was responsible for the delay restoring her heating and hot water.

Payments

Miss G said AIL should pay her the policy maximum rather than just the remaining amount after deducting the engineer's fee. She doesn't agree that payment of the difference was a goodwill gesture because it's what she was entitled to under the policy for the repair.

The policy Miss G had provided for the following:

The reasonable efforts a contractor makes to deal with an emergency during a visit to your home. This will be a temporary repair or, if it can be done at a similar cost, a permanent repair.

The contractor's cost for emergency work is limited to:

- 1. their call-out charge;*
- 2. their labour charge for the repair; and*
- 3. the costs of parts and materials.*

Based on this wording it's clear that the policy maximum included the engineer's call out fee, so it was reasonable for AIL to deduct that from the payment to Miss G.

Although Miss G said she was entitled to the balance, I don't agree. The policy excluded cover for a boiler which was deemed uneconomical to repair. That means her claim was declined in line with the policy terms and conditions, so no further cover was available to her.

The policy states:

8. In some circumstances we may agree that you can arrange for your own tradesperson to deal with the emergency. You must get our permission before arranging this.

We will only cover the cost of the emergency work that is covered under the policy and the most we will pay is £300 (including VAT) for each claim.

The repair Miss G had done was a permanent repair, which means she was not entitled to claim the full amount even if she had first agreed with AIL to arrange the repairs herself. Therefore, I'm satisfied that AIL's payment of the difference between the policy maximum and the engineer's fee was a fair and reasonable offer.

Compensation

Miss G didn't accept AIL's £50 compensation offer.

Having considered all the evidence, I haven't identified any significant shortfalls in service, avoidable delays, or financial detriment caused by AIL. I see it made a small error when it reimbursed the cost of heaters, which it corrected, and there would've been a small delay which Miss G prevented by contacting AIL sooner than it had planned to contact her. But I can't say that AIL fell significantly short of the service I'd expect in the circumstances. Therefore, I see no reason to ask AIL to pay more than the £50 it has already offered.

My final decision

For the reasons I've given, my final decision is that I don't uphold Miss G's complaint about Accredited Insurance (Europe) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 14 February 2025.

Debra Vaughan
Ombudsman