

The complaint

Ms S and Mr W complain ARAG Legal Expenses Insurance Company Limited's original decision to decline a home emergency claim they made under their landlord insurance policy was unfair.

What happened

The details of what happened are well known to both parties. So, I will just summarise them here.

- Ms S and Mr W made a claim under the home emergency policy, following a boiler breakdown and escape of water from it in April 2024.
- CET were appointed by the insurer as the claims handler and the claim was initially rejected because they said a contractor couldn't attend as the property didn't have an up-to-date gas safety certificate.
- Ms S and Mr W didn't agree with the decision but needed to have the repair done. They paid for it at their own expense and then complained.
- CET responded in June 2024. They maintained they had been right to not proceed with the claim as the certificate was a legal requirement. Despite this, they agreed to reimburse the expenses paid for the repair. However, they deducted the amounts the contractor had charged for issuing a new gas safety certificate and also parking charges.

Mr W remained unhappy and brought the complaint to our Service for an independent review. Our Investigator looked into it and thought that CET had acted fairly in not proceeding with the claim and with the deductions they had made from the offer of reimbursement. However, she noted that there was no evidence that the reimbursement payment had been made as CET said it would. She therefore recommended they add simple interest on to the amount at 8% until the payment is made.

Mr W didn't agree saying the gas safety certificate wasn't required under the terms of the policy and that deducting the parking charge was unfair as the insurer's contractor would have needed to pay that.

As no agreement was reached, the case has been 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 agree with the outcome reached by the Investigator. I'll explain why.

CET declined to proceed with the claim and appoint contractors for a repair, as the property had no gas safety certificate. Whilst I appreciate they subsequently confused matters by stating this was a requirement under the policy, I think they acted fairly in not proceeding at this point. The certificate is a legal requirement and I think they acted fairly in saying they wouldn't instruct contractors to attend without one.

Mr W understandably went ahead with the necessary boiler repairs. However, CET subsequently agreed to reimburse the cost of this and I think they have acted fairly here in doing so as the repairs would have been covered following the updating of the gas safety certificate.

Mr W is unhappy with deductions that are being taken from this reimbursement. However, I think they are fair. One of these deductions is for Mr W's contractor to provide a new gas safety certificate. This isn't provided for under the policy, which responds to emergencies and doesn't provide cover for maintenance. It follows that I wouldn't expect the insurer to pay for this certificate and C was responsible for getting it. So, I think it is fair this amount is deducted.

I also think it is fair the £16 parking charge is deducted. Whilst I have concluded that the insurer acted fairly in not progressing with the claim without the gas safety certificate, it follows that they shouldn't cover parking costs for Ms S and Mr W's contractor. Whilst the insurer may have covered their own contractor's parking costs, that isn't certain and we can't be sure any cost would have been incurred. I think it is a fair deduction.

However, CET agreed to reimburse the costs on 3 June 2024 and Mr W has said this has never been done. We haven't been provided with any evidence to show that it has been paid. If it hasn't, Ms S and Mr W should be compensated for the time they have been without the funds. So, the insurer should add interest on to the amount from the date they said they would make payment to the date that they do.

My final decision

My final decision is that I uphold this complaint and require ARAG Legal Expenses Insurance Company Limited to:

- Reimburse Ms S and Mr W the repair costs as agreed (£962.40), if they haven't already done so.
- If they haven't paid this as they said they would on 3 June 2024, they should add 8% simple interest on the amount from that date to the date of settlement.

If ARAG Legal Expenses Insurance Company Limited considers it has to deduct tax from the interest element of any award, it should send Ms S and Mr W a tax certificate when making payment. They can then use that certificate to try to reclaim the tax, if they are entitled to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S and Mr W to accept or reject my decision before 5 March 2025.

Yoni Smith
Ombudsman