

## **The complaint**

Ms B and Ms K have complained about how U K Insurance Limited (UKI) dealt with a claim under their home emergency policy.

Ms B and Ms K are represented in this complaint by Mr M who, for ease, I will normally refer to.

## **What happened**

Mr M contacted UKI to arrange for an engineer to repair the boiler. When an engineer visited, the boiler was assessed to be beyond economic repair. UKI told Mr M he should arrange to replace the boiler. It said that if he provided UKI evidence of it being fitted, it would then assess this for reimbursement.

Mr M later complained. He said UKI had told him it would reimburse the full cost of replacing the boiler. However, it only refunded £250 of the cost. When UKI replied, it said the terms and conditions said it would pay up to £250 towards the cost of a new boiler. However, a call handler did not discuss the amount that would be received, which caused confusion. It said it would provide feedback to the relevant team. It also offered £100 compensation.

When Mr M complained to this Service, our Investigator upheld the complaint. She said Mr M was told by UKI that it would reimburse the full cost of the boiler. She said UKI made a mistake when it said this. However, Mr M would have needed to purchase a new boiler regardless of this. UKI also offered the correct amount towards the new boiler. She said UKI didn't need to honour its mistake. Instead, it needed to pay compensation because of the disappointment it had caused. She said it was fair for UKI to pay a total of £250 compensation to reflect the impact of the mistake it made.

Mr M disagreed and said the full amount should be reimbursed. So, the complaint was referred to me.

## **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 uphold this complaint. I will explain why.

The policy said that where a boiler was beyond economic repair, it would pay £250 towards a new boiler. However, Mr M has said UKI told him it would reimburse the full cost. So, I've looked at this.

I've listened to the phone calls related to this claim. In one phone call, Mr M asked about whether it mattered how much the new boiler cost. The call handler told him it didn't matter. I noted that the call handler also said UKI would pay a "*contribution*", although she didn't say how much that would be. I listened to a second call, in which Mr M directly asked whether UKI would reimburse the full cost of the new boiler. The call handler said it should.

So, Mr M, understandably, expected the full cost of the boiler to be reimbursed. I also don't doubt that he, Ms B and Ms K would have been surprised and disappointed when UKI said it would only contribute £250. But I don't think that meant UKI needed to reimburse the full amount. I think the policy terms and conditions were clear and these said UKI would pay £250. The amount UKI later agreed to reimburse was in line with the policy wording.

Even though UKI made a mistake, I'm mindful that Mr M would have needed to buy a new boiler anyway. I'm aware Mr M has said that if he had been given the correct advice, he might have made a different choice about how to replace the boiler, such as buying a second-hand one. However, the policy didn't say it would contribute towards a second-hand boiler. It said it would pay £250 towards a new one, which is what it did.

Instead, I think it's fair to consider this as a loss of expectation, for which UKI should pay some compensation. So, having thought about this, I think UKI should pay Ms B and Ms K £250 compensation because of the incorrect information it provided. I think this fairly reflects the impact on them because of UKI's mistake and is in line with what I would normally expect in circumstances like these.

## **My final decision**

For the reasons I have given, it is my final decision that this complaint is upheld. I require U K Insurance Limited to pay Ms B and Ms K a total of £250 compensation, which includes the £100 it previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B and Ms K to accept or reject my decision before 17 June 2025.

Louise O'Sullivan  
**Ombudsman**