

The complaint

Mr and Mrs S have complained that One Insurance Limited unfairly declined a claim under Mrs S's home emergency insurance policy.

What happened

Mrs S bought a home emergency policy underwritten by One Insurance. The policy covered emergency repairs costing up to £750 to a boiler if it failed to function or broke down and was the main source of heating in the home. It aimed to ensure that an engineer would contact the insured within two hours and arrange a suitable appointment time. There was no call-out excess fee.

On 9 February 2024 Mrs S contacted One Insurance's agent to report that her boiler was leaking. She wasn't actually at home when she made the call. At that point the boiler was still switched on. Mrs S told the agent there was heat and hot water in the house. The agent said a leaking boiler wasn't covered by the policy.

When she returned home the following day, she found the leak had become worse. She contacted a gas engineer who told her to switch the boiler off as it might be dangerous. As a result she was without heat or hot water. Her husband rang One Insurance's agent again and explained the situation. Its call handler told him that a leak wasn't covered by the policy. Mr S asked them to refer him to the relevant section of the policy containing this exclusion but they were unable to do so. Mr S asked to speak to the actual insurer of the policy. He was referred to a third party who wasn't actually the home emergency insurer. Mr S complained to One Insurance about the service they'd received.

Mr and Mrs S called out a boiler engineer at their own expense. He contacted the manufacturer on their behalf. The manufacturer confirmed that the boiler should be switched off until it was repaired.

Mr S says he rang One Insurance's agent on 13 February. He explained the nature of the emergency. Its call handler told him that mechanical or electrical breakdowns weren't covered by the policy. Mr S complained that the claim had been unfairly declined. He also said that he didn't have access to the policy document on One Insurance's portal until 13 February.

In order to have the boiler repaired Mr and Mrs S paid a gas engineer £125 to attend. They also took out a home emergency policy with another provider. That cost them £330 and they also had to pay a call out fee of £60.

Mr and Mrs S brought a complaint to this service. I issued a provisional decision explaining why I was minded to uphold the complaint. An extract from my provisional findings is set out below:

"The policy said that One Insurance would pay "a combined total of £750 (including VAT) for labour, advice, parts and materials to cover an emergency for insured events during the period of insurance per claim."

One example of an insured event was:

“Boilers – emergency repairs after an emergency involving your home that leads to the main source of heating failing.”

In addition Mrs S was told in the welcome letter after she’d taken out the policy:

“What’s covered

Boiler Cover – this will provide emergency repairs following an emergency that occurs as a result of the failure to function or breakdown of the main source of heating in your home.”

When Mrs S first called One Insurance, she told them the boiler was leaking but they still had heating and hot water. One Insurance declined the claim on the ground that leaking boilers were excluded from cover. I’ll come back to that later. But I think at that stage it’s fair to say that there wasn’t actually a home emergency as defined by the policy.

Unfortunately One Insurance hasn’t been able to provide a recording of the later phone calls. Mr S says that in the second call he told them the main source of heating had failed as he’d been advised by the manufacturer to switch off the boiler. I think it’s more likely than not that he did put One Insurance on notice that the main source of heating had failed as I can’t see any other logical reason for the call. That means there was an emergency as the boiler had “failed to function” – it should not leak water. That means Mrs S was entitled to repairs up to a cost of £750. I’m satisfied that One Insurance should have arranged for an engineer to attend to inspect the boiler.

To put things right I think One Insurance should refund the £125 Mr and Mrs S paid for a gas engineer to diagnose the problem and the £60 call-out fee they had to pay another insurer under their new home emergency policy together with interest at our normal rate. If One Insurance had accepted the claim on the second call, Mr and Mrs S wouldn’t have taken out another policy as a result of which they were double-insured. So I think One Insurance should refund the premium paid to it from 16 February 2024 being the date when cover started under the new policy.

Mr S was informed that a leak wasn’t covered by the policy. He says he was “passed from pillar to post” when he asked to be pointed to the relevant part of the policy. He was also referred to his buildings and contents insurer who unsurprisingly was unable to help as home emergency wasn’t covered by that policy. This was unnecessarily stressful and inconvenient. I think compensation of £200 is appropriate to compensate them for this.”

In summary One Insurance initially made the following points in response:

- *It was unable to verify that a second call had taken place.*
- *Mr and Mrs S hadn’t indicated that more than one call had been made when logging their original complaint.*
- *Its service was only designed to provide temporary repairs which in cases like a water leak would be to isolate the problem. So, if a leak couldn’t be repaired on the first visit, its contractor would only be able to isolate the water supply.*
- *Mr and Mrs S’s heating didn’t fail but rather it was switched off to prevent the leak from getting worse.*

Mr and Mrs S provided evidence of the calls they’d made to One Insurance. They thought the proposed restitution was inadequate because of the further trouble and upset they’d

been caused during the course of the complaint.

One Insurance later agreed that Mr and Mrs S had made further calls. In the call Mr S had referred to a problem with a switch on the boiler. One Insurance said electrical faults weren't covered by the policy.

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.

It's unfortunate that One Insurance initially didn't appear to have a record of all the calls made to it by Mr and Mrs S. They've provided evidence that they rang One Insurance on 12 February in a call lasting 50 minutes and again on 13 February on a call lasting 48 minutes. Having listened to the call Mr S made on 13 February it's clear that the reason for the call was to advise One Insurance that they needed to make a claim under the policy as they no longer no longer had heating and hot water.

In the call on 13 February the call handler refers to having received both letters of complaint. The second letter of complaint referred to the phone calls.

The policy gives an example of an emergency being the boiler and "*the failure to function or breakdown of the main source of heating*". Mr and Mrs S were advised by their engineer to switch off the boiler because of the leak. As explained in my provisional findings I think that was an emergency within the meaning of the policy. But even if I'm wrong in that respect, I still think that in order to treat its insured Mrs S fairly One Insurance should have treated it as an emergency. It was in the middle of winter and there was a risk of further damage from pipes freezing due to the lack of heat and hot water.

In its final response letter dated 29 February 2024 One Insurance said that the claim had been declined on the ground that Mrs S still had heating and hot water. It is now saying that it was entitled to decline the claim because the policy doesn't cover electrical issues. The policy does have an exclusion which simply says "*Electricity*". It's not clear what that means. But leaving that aside, I don't think it's fair for One Insurance to try to rely on that exclusion now to decline the claim when it didn't mention it in its final response.

I agree with One Insurance that its policy is designed to provide a rapid response to specific emergency situations that might arise in the home. I also agree that the policy doesn't cover a permanent fix. But its responsibility as an insurer was to provide a temporary repair to the boiler which it failed to do. It might have been that its repairer would only have isolated the water supply. On the other hand it might have been something that its repairer could have sorted out in one visit. But as they didn't attend, we don't know.

Mrs S was entitled under the policy to repairs costing up to £750. As the work which she and Mr S had done cost a lot less than that, a permanent fix might have been covered by her policy. So I remain of the view that it's reasonable for One Insurance to reimburse the unnecessary expenses incurred in getting someone else to diagnose the problem and in taking out alternative home emergency cover.

I also still think compensation of £200 for trouble and upset is appropriate in the circumstances. In this decision I am only looking at how Mr and Mrs S were treated up to the date of the final response letter. So I can't take into account further trouble and upset caused to them after that date.

Putting things right

To put things right I think One Insurance should:

- reimburse the fee of £125 Mr and Mrs S paid to a gas engineer plus interest at 8% simple a year from the date they paid this invoice to the date of reimbursement;
- Reimburse the call-out fee of £60 under their new policy plus interest at 8% simple a year from the date they paid this invoice to the date of reimbursement;
- Reimburse the pro rata premium Mrs S paid for the policy from 16 February 2024 to the date of expiration of the policy plus interest at 8% simple a year from 16 February 2024 to the date of reimbursement; and
- Pay compensation of £200 for the trouble and upset caused by the claim being incorrectly declined and the way it handled the claim.

HM Revenue & Customs may require One Insurance Limited to deduct tax from any award of interest. It should give Mr and Mrs S a certificate showing how much tax has been taken off if they ask for one.

My final decision

For the reasons set out above, I uphold this complaint and require One Insurance Limited to put things right as set out above.

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

Elizabeth Grant
Ombudsman