

The complaint

Mr and Mrs G complain about the way in which UK Insurance Limited (UKIL) dealt with a home emergency claim they made after they experienced problems with their hot water.

What happened

Mr and Mrs G hold a packaged bank account which provides home emergency cover as a benefit. After they returned from their holiday they discovered there was no hot water in their home. So, on 25 November 2024, Mr and Mrs G contacted a helpline provided by UKIL which underwrites their home emergency cover. This helpline is managed by a company, which I'll refer to here as "C". C is a claims management business which works on behalf of UKIL specialising in property repairs.

An engineer was appointed by C and attended the day Mr and Mrs G reported the issue with their hot water. The engineer identified that the hot water pump wasn't working and that this part needed to be replaced.

Under the policy terms, Mr and Mrs G are indemnified for up to £750 of work in relation to a home emergency issue. And, on 27 November 2024, a quote was provided to Mr and Mrs G setting out the costs of the call out to their property, the replacement part and labour charges to undertake the repair. This quotation totalled £1,123.18. So, Mr and Mrs G were asked to contribute £373.18 – this being the shortfall between the cost quoted and the remit of cover.

Mr and Mrs G shared concerns about the cost of the replacement pump. They said they'd been able to obtain cheaper quotes for the same pump from other retailers and informed UKIL they thought the price it had quoted for the replacement pump was excessive.

UKIL disagreed that the price quoted for the replacement pump was inflated and argued that the quotes Mr and Mrs G had obtained weren't like for like. Mr and Mrs G decided to go ahead with the quotation provided on 29 November 2024 and the replacement pump was ordered that day.

An appointment was arranged to instal the new pump on 2 December 2024 and Mr and Mrs G said they cancelled a medical appointment to be available that day. But the appointment on 2 December 2024 didn't proceed as a result of the pump not being delivered in time. And an alternative appointment for 3 December 2024 was arranged by UKIL when the replacement pump was installed, which restored Mr and Mrs G's hot water.

Mr and Mrs G were unhappy with the service they'd received and complained to UKIL. They say they weren't informed of the appointment cancellation and maintained that the quote for the replacement pump was inflated. They also stated there were delays in restoring their hot water and report that they'd been without hot water for 8 days prior to the issue being resolved by C.

On 21 January 2025, UKIL issued its final response to Mr and Mrs G's complaint. It explained that it wasn't upholding concerns about the quote for the replacement pump, which it said was representative of market prices. It stated Mr and Mrs G hadn't provided

alternative quotes on a like for like basis as the pump they'd sourced wasn't a dual head pump, which was what was needed to replace the defective pump.

In responding to Mr and Mrs G's complaint, UKIL apologised for the cancelled appointment and accepted there'd been delays in the replacement pump being ordered because of discussions regarding its cost. It accepted it ought to have communicated better with Mr and Mrs G about the missed appointment and recognised this as a shortfall in service. It offered to compensate Mr and Mrs G in the sum of £105 for the trouble and upset they'd experienced as a result.

UKIL also accepted Mr and Mrs G's concerns about being overcharged for labour. It explained that, in calculating labour charges, partial hours are rounded up. And it accepted that the labour charges paid by Mr and Mrs G weren't an accurate reflection of the time C had spent in replacing the pump. To resolve this part of Mr and Mrs G's complaint, UKIL credited their account with £72, which it stated represented two hours of labour.

Being dissatisfied with how UKIL proposed to resolve their complaint, Mr and Mrs G referred it to our service. Our investigator assessed the available evidence and empathised with them. But they didn't recommend upholding his complaint. They were satisfied that the cost of the replacement pump was reasonable. And they were persuaded the compensation paid fairly recognised the poor service Mr and Mrs G received. They didn't think UKIL needed to take any further action to resolve this complaint.

UKIL accepted our investigator's view of this complaint. But Mr and Mrs G didn't. They requested an ombudsman's decision and I've been asked to decide the fairest way of resolving this complaint.

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.

I'm sorry to hear about the difficulties Mr and Mrs G experienced here. I know they feel very strongly about this matter and I appreciate the reasons they brought their complaint to our service. However, while I sympathise with them, the issue that I must determine is whether UKIL made a mistake, or treated them unfairly, such that it needs to now put things right.

This service is an informal dispute resolution service. When considering what's fair and reasonable, I'm required to take a number of matters into account, which include relevant law and regulations, regulators' rules, guidance and standards, codes of practice, the terms and conditions of any insurance policy and, where appropriate, what I consider to have been good industry practice at the relevant time. I'm not limited to the position a court might reach.

I've read and considered all the information provided by Mr and Mrs G and UKIL, but I'll concentrate my decision on what I think is relevant to decide the complaint. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is the right outcome.

The first part of Mr and Mrs G's complaint is about the time it took for their hot water to be restored. They say they experienced delay in the progression of their home emergency claim. So, I'll address this issue first.

Insurers must deal with claims promptly, fairly and must not unreasonably decline a claim – as set out in the Insurance Conduct of Business Sourcebook (ICOBS). I've considered this

and the Consumer Duty together with other relevant rules and guidance when determining this complaint.

Based on the chronology of events provided by Mr and Mrs G and UKIL I'm satisfied that when they reported issues with their hot water it was recognised that this required prompt attention. Based on the available evidence, I'm satisfied that in instructing an engineer to attend Mr and Mrs G's home without delay UKIL recognised the time of year at which this happened, the weather and the fact that there were elderly occupants within the property.

Following the visit to Mr and Mrs G's property, C provided a quote in relation to the cost of work required on 27 November 2024. As our investigator identified in their view of this complaint, this occurred just outside of the 24 hour timeframe in which quotes should be provided under the policy. So, there was a small element of delay here.

I've seen evidence that indicates, the replacement pump was ordered on 29 November 2024 when Mr and Mrs G gave their authority to proceed with the quote they received from UKIL. This was 2 days after the quote was provided. But I'm not persuaded that ordering the pump could have happened sooner because of the discussions between Mr and Mrs G and UKIL in relation to their concerns that the cost of the replacement pump was excessive. It follows that I haven't been able to identify delay in relation to the ordering of the replacement part.

The pump was ordered on a Friday and UKIL has stated that the supplier was only able to offer delivery during the week. I've no reason to doubt what it says about delivery times as I've seen no evidence to contradict this. This meant that the earliest the replacement pump could arrive would be on Monday 2 December 2024, which explains why an appointment was arranged for C's engineer to attend Mr and Mrs G's property to install the replacement part and restore their hot water on that date.

UKIL asserts that the replacement pump didn't arrive on 2 December 2024 as had been anticipated. So, the installation appointment couldn't proceed. It was therefore cancelled. I can appreciate this must have been frustrating for Mr and Mrs G who, I understand, weren't made aware of the cancellation and had cancelled a medical appointment to ensure they were available that day. By this point they'd been without hot water for one week and they've shared the impact this had on them, which resulted in them having to travel to their relative's home to shower.

I'm satisfied from the available evidence that UKIL had no option but to cancel the installation appointment that had been arranged for 2 December 2024 given the absence of the replacement part. I appreciate that UKIL couldn't have anticipated that the part wouldn't have been delivered on the due date until that had happened. But when this was known, UKIL had a duty to notify Mr and Mrs G of the cancellation at the earliest opportunity. That didn't happen here – I accept what Mr and Mrs G say about that. There should have been better communication by UKIL about its inability to keep the installation appointment it had arranged. But I trust Mr and Mrs G will understand but I can't fairly hold UKIL responsible for issues with delivery as it's unable to influence the delivery timescale and availability of parts.

I'm pleased to see that a replacement installation appointment was rearranged for 3 December 2024. I'm satisfied that the speed at which this was rearranged recognises several factors including the fact that Mr and Mrs G had been without hot water for over a week by this point, the time of year and weather, their age and the impact of not having hot water. It's not in dispute that Mr and Mrs G's hot water was restored on 3 December 2024 by the installation of the replacement pump, which evidences that the correct cause of the fault had been diagnosed during the C's visit on 25 November 2024.

In the overall circumstances, I'm not persuaded there were significant or unreasonable

delays as a result of errors by UKIL that impacted the way Mr and Mrs G's home emergency claim progressed. It follows that I'm not upholding this part of their complaint.

I'll turn now to Mr and Mrs G's dissatisfaction in relation to the quote provided for the replacement pump and their concern that the cost was excessive.

Based on photographs that have been provided of the defective pump, I'm satisfied the pump sourced by UKIL is identical to the one it replaced. I say this the defective pump's label, technical specifications and product code matches the features of the replacement pump.

The cost of the replacement pump sourced by UKIL was £871.18 inclusive of VAT. And I can see that, within the final response letter sent to Mr and Mrs G, UKIL explained that this cost included VAT, an uplift, and a warranty on parts. UKIL asserts that the part quoted was a dual head pump whereas the pump Mr and Mrs G had sourced when comparing the market was only a single head pump, which may not function properly in certain situations, such as where there are upstairs showers. It argues that a single head pump isn't a like for like replacement when compared to the defective pump, which was a dual head pump. But Mr and Mrs G dispute this and say the replacement they sourced online is identical. So, I've carefully considered the evidence presented on this issue.

Mr and Mrs G have shared the website link which they say corroborates their assertion that the replacement pump is available at a significantly lower cost – namely £459 inclusive of VAT. I agree with our investigator that the technical specifications of that pump differ to the replacement pump sourced by UKIL. So, I'm not satisfied that the website Mr and Mrs G rely on here show a like for like pump.

I've undertaken price comparison research using both the product code and technical specifications for the replacement pump to compare the cost of this part across the market. Having reviewed several retailer's websites, I can see that the cost of the pump is variable across different suppliers. The highest cost seen is £1,118.78 inclusive of VAT with the lowest cost found being £612.80 inclusive of VAT. However, I bear in mind that prices can change and, as it's almost nine months from the date UKIL sourced the replacement pump, comparing the market now may have some limitations. That said, I'm persuaded overall that the cost of the pump quoted by UKIL, namely £871.18, is within mid-range of the costs seen when I compared the market. So, I'm not persuaded the cost quoted to Mr and Mrs G was excessive or unfair here. It follows that I'm not upholding this part of their complaint.

As I mentioned in the background to this complaint, UKIL identified there'd been shortcomings in the service provided to Mr and Mrs G. It felt these related to the cancelled appointment on 2 December 2024 that Mr and Mrs G weren't made aware of and the fact that they were overcharged for labour. It offered to compensate them £105 to recognise the trouble and upset they were caused as a result of poor service.

I've already set out my findings in relation to the cancelled appointment on 2 December 2024. I've explained that, while I accept there was poor communication about this, I can't fairly hold UKIL responsible for the reasons the appointment didn't proceed. In relation to overcharging, I endorse the findings reached by UKIL that Mr and Mrs G received poor service as a result of being overcharged for labour. That shouldn't have happened, and I'm satisfied UKIL offered a fair resolution by reimbursing the cost of 2 hours of work.

It's clear that Mr and Mrs G don't think the £105 offered by UKIL adequately reflects their inconvenience and experience. But I agree with our investigator's view that £105 is fair, particularly given that the cancelled appointment was beyond UKIL's control and discussions about discrepancies relating to the cost of the replacement pump meant it wasn't possible to

order the replacement pump sooner. I've also taken into consideration that excess labour charges have already been refunded to Mr and Mrs G as a result of this part of their complaint being upheld prior to them referring their complaint to our service.

In the overall circumstances, I'm persuaded that £105 is a fair and reasonable amount of compensation that acknowledges the distress and inconvenience Mr and Mrs G would have been caused by the poor service they experienced. I haven't seen enough evidence to persuade me that a higher award is warranted here. And I'm satisfied the amount already offered is in line with our approach in similar scenarios. UKIL should therefore pay Mr and Mrs G £105 in compensation to resolve this complaint.

I realise Mr and Mrs G will be disappointed with this decision but for the reasons set out above, I'm not upholding their complaint. This now brings to an end what we, in trying to resolve their dispute with UKIL, can do for them. I'm sorry we can't help Mr and Mrs G any further with this.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 16 September 2025.

Julie Mitchell
Ombudsman