

Complaint

Mr and Mrs G are complaining about Admiral Insurance (Gibraltar) Limited's emergency repair to their boiler under their home emergency insurance.

Background

On 18 December 2018 Mr and Mrs G's boiler broke down. Mr and Mrs G could be described as vulnerable customers because of their age and Mrs G's state of health. They contacted Admiral to arrange for an engineer to visit.

On 19 December an engineer visited, diagnosed a failed pump, and switched off the boiler. Mr G called Admiral to say the engineer had told them not to use the boiler. Admiral explained that alternative accommodation and a heating allowance – which they'd not referred to during Mr G's first call – were available, but Mr G said they could manage for the night although it was very cold.

On 20 December a different engineer visited with a new pump, but he didn't have all the parts he needed to replace it. He said the pressure release valve also needed replacing. The boiler was firing up at that time. On 22 December he visited again. He ran the boiler, drained it and replaced the pump and pressure release valve. However, when he came to turn on the boiler after the repair it wouldn't fire up.

Mr G emailed Admiral to say the boiler now wasn't working at all, but they didn't reply. Mr and Mrs G called their own engineer who attended but was unable to do anything until after the Christmas period. On 24 December Mr and Mrs G called out another emergency engineer who was also unable to fix the boiler. This cost them £180.

On 26 December Mr G called Admiral's agents and spoke to an adviser who said they'd look into things. He didn't receive a call back so he emailed Admiral to say that unless he was contacted by 10am the following day he'd take action himself. On 27 December his email was acknowledged but he wasn't given any more information about when there'd be another visit from an engineer. Mr and Mrs G arranged for their own engineer to visit again. He said the boiler needed a new control panel which would take several days to source.

On 28 December Mr and Mrs G arranged for a new boiler to be installed at a cost of £800.

Mr and Mrs G complained to Admiral. They said that during the visit on 22 December Admiral's engineer hadn't drained the boiler properly, which led to water splashing onto the control panel and onto the floor. They said the water damage to the control panel is what led to the boiler not switching on after the pump had been replaced, when it had been working beforehand. They provided a report from their own engineer which said that the control panel had been damaged by water ingress.

Admiral looked into Mr and Mrs G's complaint. After hearing from their engineer they said that the boiler had been drained properly and there'd been no leakage of water onto the floor. They said that the boiler was leaking internally and the control panel could have been damaged by that. They offered Mr and Mrs G £90 for poor service, £50 to reflect that they didn't offer a heating allowance when they should have, and a further £40 for delays and failed call backs. I understand this has now been paid to Mr and Mrs G.

Mr and Mrs G were unhappy with Admiral's response and brought the complaint to us. They said they had no choice but to replace the boiler after being without heating and hot water. And they thought Admiral should meet the cost of the new boiler.

Our investigator looked into Mr and Mrs G's complaint. He felt it was likely that Admiral's engineer had damaged the control panel when replacing the failed pump and this had led to Mr and Mrs G being without heating and hot water over the Christmas period. But he didn't think Admiral should meet the cost of the new boiler, as it looked like it was still possible for the boiler to be repaired at the time Mr and Mrs G chose to replace it.

He asked Admiral to pay £300 in compensation, which could be put towards the new boiler, to refund the £180 call out charge for the emergency engineer on 24 December, and to refund £29.50 which they'd asked Mr and Mrs G to pay when the policy limit of £500 was exceeded due to the number of visits the engineer had made.

Admiral and Mr and Mrs G disagreed with the investigator's findings.

Admiral said that the home emergency policy didn't cover a new boiler, so they didn't think they should contribute to the cost.

Mr and Mrs G said, in summary:

- Admiral believed the engineer over them and so are accusing them of acting fraudulently;
- The investigator didn't say what action they should have taken as an alternative to replacing the boiler; and
- Admiral should take responsibility for the mistakes of agents instructed by them.

The complaint's now been passed to me for review and a decision.

My findings

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 think the outcome the investigator's already proposed is fair. I appreciate that both parties will be disappointed by this, so I'll explain why.

I've taken into account everything that Mr and Mrs G and Admiral have said and provided about how the control panel was damaged. I understand why Mr and Mrs G are frustrated that Admiral didn't accept their engineer caused the damage to the control panel. But I don't think they meant to imply that Mr and Mrs G were acting fraudulently by saying that they thought he did. And I agree that Admiral are responsible for the actions of the engineer they instructed.

It doesn't seem to be in dispute that the control panel was damaged by water. Mr G says this was due to the engineer draining the boiler in a way which leaked water over the electrics in the boiler and onto the floor. But the engineer says he didn't leak any water onto the control panel, and the water damage was caused by an internal leak in the boiler.

But it does seem that the boiler could be switched on directly before the pump was replaced but couldn't be afterwards. There doesn't appear to have been anything wrong with the control panel before the engineer's visit on 22 December, because the boiler was able to run up until then. I think if there was a problem with the control panel before the attempted repair it would have been noticed because the boiler wouldn't have fired up.

I don't think I can say for certain how the water damage to the control panel happened. But I think the circumstances and evidence suggest it's more likely than not that it occurred during the engineer's visit on 22 December. So, I think it's something that Admiral should have been responsible for putting right.

There was a delay of five days between Mr G telling Admiral the boiler now wasn't running at all and their acknowledgement of his email, which didn't say when an engineer would be able to attend. So it's not unreasonable that he took matters into his own hands by calling out his own engineer in the meantime.

At the time Mr and Mrs G chose to replace the boiler they'd been without heating and hot water for around ten days over the Christmas period. They'd chosen not to take advantage of the offer of alternative accommodation or heating allowance offered on 19 December, but at that time it looked like the boiler would be fixed much sooner than it was. So, I fully appreciate why Mr and Mrs G decided to replace the boiler when they did. But at the time, their own engineer thought it could still be repaired. It looks like replacing the boiler was, however, quicker than waiting for the replacement parts.

Turning to Mr and Mrs G's point about what they should have done, it's not for us to say whether Mr and Mrs G should have replaced the boiler or waited for the parts, but to make sure that fair compensation is provided for what did happen. Ultimately Mr and Mrs G chose to replace the boiler rather than wait for the replacement parts to arrive. I don't think it was unreasonable for them to do this in the circumstances - but that doesn't mean it would be fair to ask Admiral to meet the full cost of the replacement boiler. This is because it looks like a repair would still have been possible once the parts had been sourced.

Putting things right

I think it would be fair for Admiral to pay compensation which reflects the additional trouble and upset caused to Mr and Mrs G which led to their decision to replace the boiler. I say this because if the control panel hadn't been damaged during the engineer's visit of 22 December then it seems likely replacing the pump and pressure valve would have solved the problem earlier. And Admiral didn't contact Mr and Mrs G over the Christmas period to indicate when this would be resolved. So, Mr and Mrs G spent longer without heating and

hot water than they should have, which led to them deciding they couldn't wait any longer for a replacement control panel.

As Admiral have pointed out, the policy doesn't cover a replacement boiler. But the investigator didn't conclude that Admiral should pay for the boiler under the terms of the policy. He's explained that the award of £300 is compensation which could be put towards the cost of the boiler. And I think £300 is fair and reasonable, in the circumstances.

The investigator's also recommended that Admiral reimburse £29.50 it charged Mr and Mrs G for exceeding the call out limit, and £180 they paid to an emergency engineer on 24 December. I think this is fair, because if Admiral's engineer had identified all the parts that needed replacing during the first visit it's likely the repair would have been attempted in the second visit rather than a third visit being required which led to the £500 limit being exceeded. And the cost of the emergency engineer on 24 December wouldn't have been incurred if the damage to the control panel hadn't happened.

My final decision

My final decision is that Admiral Insurance (Gibraltar) Limited should make the following payments to Mr and Mrs G:

- Refund £29.50 with simple interest at 8% per annum from the date Mr and Mrs G paid this until the date of settlement;
- Refund £180 engineer's call out fee with simple interest at 8% per annum from the date Mr and Mrs G paid this until the date of settlement; and
- Pay Mr and Mrs G £300 to compensate them for the trouble and upset they've experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 18 October 2020.

Helen Sutcliffe
ombudsman