

complaint

Mrs N complains about how U K Insurance Limited (UKI) dealt with her home emergency insurance claim. My references to UKI include its agents.

background

In January Mrs N contacted UKI under her policy as she had a boiler leak. Its engineer attended and told UKI the system was full of sludge. UKI told Mrs N it wouldn't fix the boiler as work arising from sludge wasn't covered under the policy.

Mrs N arranged a private engineer to fix the boiler and he made a report saying there was no sludge in the system. UK accepted its engineer misdiagnosed the problem and offered to pay the £150 private engineer's bill and £150 compensation for Mrs N's distress and inconvenience.

Mrs N complained to us that UKI's offer wasn't enough. She wanted £2,000 compensation. She said her family, including two young children, were left without heating for seven days and hot water for three days.

Our investigator thought UKI should pay £400 compensation in total as well as the repair bill.

Mrs N didn't agree and wants an ombudsman's decision. She asked for £600 plus the £179.97 for three heaters she had bought to have some heating. UKI agreed to pay £400 compensation and the heater costs as well as the repair bill.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

UKI has now made a reasonable offer to settle this complaint. Mrs N's made several points and I'll focus on the main ones.

Mrs N says UKI was too quick to believe its engineer's diagnosis and is unhappy that UKI wouldn't do a second inspection of the boiler despite speaking to it several times. But I think UKI was reasonably able to rely on its engineer's advice that there was sludge in the system until it had evidence from Mrs N's private engineer that the diagnosis was incorrect. The policy doesn't cover work caused by sludge, so on the information UKI had at the time it acted fairly.

Mrs N also says UKI's engineer wouldn't cover his shoes to protect her carpet, failed to clear up and was rude to her. I don't have any evidence to support those points. She also asked that UKI change its working practices but under the rules we operate I don't have power to tell a business to change its business processes.

The fundamental issue is UKI's engineer's diagnosis about sludge in the system was wrong and the claim should have been covered. This left Mrs N in a difficult position. She had no heating and water during winter for several days when it was particularly cold. She's mentioned about her family but as she is the policyholder I can only award compensation for her distress and inconvenience. However, I've no doubt the effect of the living conditions on

her young children affected Mrs N and I've taken that into account when deciding the amount of compensation UKI should pay for her distress and inconvenience.

There's no basis for me to award the £2,000 Mrs N originally asked for. I think £400 compensation in total is a fair amount for her overall circumstances to recognise the difficult position she was in. UKI's now agreed to pay that amount. In addition it's agreed to pay £179.97 for three heaters Mrs N bought at the time to have some heating. It had already agreed to pay the private engineer's £150 cost (which I understand it's already paid) which was reasonable.

my final decision

I uphold this complaint and U K Insurance Limited has now made a reasonable offer to settle this complaint.

I require U K Insurance Limited to pay Mrs N:

- compensation of £400 (in total) for her distress and inconvenience, and
- £150 for the private engineer's repair bill (if not already paid), and
- £179.97 for the heater Mrs N bought, as it's now agreed.

U K Insurance Limited must make any outstanding payments to Mrs N within 28 days of the date we tell it she accepts my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 16 May 2018.

Nicola Sisk
ombudsman