

## **complaint**

Miss J complains about Inter Partner Assistance SA's ("IPA's") handling of a claim for a leaking boiler under her home emergency insurance policy.

## **background**

Miss J holds a home emergency insurance policy, underwritten by IPA. All references to IPA include its appointed administrative agents. Miss J's policy was sold by Insurer B.

On an evening in late February 2012, Miss J registered a claim with IPA because her boiler was leaking. Miss J reported that the leak had flooded her kitchen and bathroom and that she had no lighting.

IPA's notes show that an engineer contacted Miss J approximately three hours later, as he was about to depart for her property. However, Miss J had already arranged for her boiler to be isolated by a family member and, as a result, the attendance was cancelled.

The following day, Miss J contacted IPA to enquire whether repairs to her boiler – or a replacement boiler - would be covered under her policy. IPA's advisor told Miss J he was unsure as to whether a replacement boiler would be covered under the policy.

Miss J then telephoned Insurer B and was advised that her policy would provide cover for repairs to her boiler of up to £500 but that a replacement boiler would not be covered. Insurer B also provided information about claiming for the damage caused to bathroom and kitchen units as a result of the leak, under Miss J's home insurance policy<sup>1</sup>.

IPA subsequently arranged for a heating engineer to attend at Miss J's property, three days after the initial leak. The engineer said that there had been third party interference with Miss J's boiler – and that this is what had caused the leak - and diagnosed that numerous parts were required. Miss J's boiler was subsequently deemed to be beyond economic repair, as the cost of repairs was in excess of the policy limit and the value put on her boiler.

The policy also excludes cover for any boiler over 15 years old, and Miss J's boiler was, I understand, 16 years old.

Unhappy, Miss J contacted Insurer B to complain about the following;

- she was told IPA is not part of Insurer B but she considers that Insurer B should be responsible;
- IPA delayed in attending at her property when the claim was originally reported;
- conflicting information had been provided as to the policy limit and whether a replacement boiler would be covered;
- IPA provided different reasons as to why no repairs would be carried out to her boiler;
- the engineer who attended caused her electricity to trip, damaging the contents of her freezer and compromising Miss J's safety;

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<sup>1</sup> Home emergency insurance policies do not provide cover for consequential loss, for example, any damage caused as a result of the emergency event itself. The cost of repairing damage caused by the leak boiler may be covered under the terms and conditions of Miss J's buildings and contents insurance policy.

- her complaint was not handled as it should have been.

Insurer B passed Miss J's complaint to IPA. However, Miss B wished for Insurer B to deal with the matter and, because of this, IPA provided details of the claim to Insurer B. Insurer B then responded to Miss J's complaint on behalf of IPA, offering to pay a total of £300 compensation. IPA has confirmed to us that it is responsible for arranging for this payment to be made. IPA also said it would reimburse Miss J for any lost food but she said she did lose any.

As Miss J remained dissatisfied, she brought her complaint to the attention of this service for consideration.

Our adjudicator, having investigated Miss J's complaint about IPA, considered the total offer made was fair and reasonable in the circumstances.

Miss J is unhappy with the adjudicator's assessment. She feels that the distress and inconvenience that she has suffered has not been fully understood and has not been taken seriously, in particular in relation to the fact that her health and safety was put at risk from an unqualified engineer.

She also asked the adjudicator for a break down as to how the compensation was arrived at in terms of "all the errors, miscommunication, mixed messages, incompetency's, distress that I've experienced, my time on the phone and writing letter, cost of the phone calls etc etc".

Miss J is also unhappy that IPA has not been required to explain exactly why these errors happened.

As our adjudicator was unable to resolve the complaint to the satisfaction of both parties, the matter has now been referred to me for final determination.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

At the outset, I should explain that IPA, as the underwriter of Miss J's home emergency insurance policy, is the business responsible for this complaint, even though Insurer B agreed to write to Miss J on its behalf. IPA and Insurer B are two separate companies and Insurer B is responsible only for the sale of the home emergency insurance policy.

Insurer B has no involvement in whether or not a claim for a home emergency is accepted or in how a claim under the policy is handled and it was right therefore that the complaint was passed on to IPA.

The primary role of the Financial Ombudsman Service is to investigate individual complaints between consumers and businesses, where a consumer thinks they have suffered a financial loss. We also have the power to award compensation if we think a consumer has suffered material distress and inconvenience as a result of a business' error.

However it is not within our remit to require a business to amend the terms and conditions of its policies or to alter its internal practices and procedures – nor is it within our power to seek

to punish or discipline businesses through our awards. The Financial Conduct Authority – formerly the Financial Services Authority - is the regulator of the financial services industry in the UK.

Insurance policies such as this do not guarantee that an appointment will take place within any specific timescale. Having said that, an insurer should arrange assistance within a reasonable period of time.

IPA's claim notes show Miss J was advised that an engineer would attend within three hours and the engineer was in fact en route within two hours. I do not consider this to be unreasonable.

However, I also do not consider that it was unreasonable for Miss J to have arranged in the meantime for the boiler to be isolated and thereby stop the escape of water.

In my opinion, IPA should not have considered this to be third party interference such that all cover under the policy – for an otherwise valid claim - would be extinguished.

However, IPA also declined Miss J's claim based on the fact that her boiler was installed in 1996 and her policy excludes cover for the following: *"any loss or damage caused by a boiler....which is over 15 years old"*.

Furthermore, even if the above exclusion did not apply, Miss J's policy is subject to a limit of £500 per claim, for parts and labour in carrying out a temporary repair (or permanent repair if it is of similar cost).

IPA has said that Miss J's boiler would have cost in excess of £1,000 to repair and therefore could not have been repaired within the policy limit and the policy does not provide for any contribution for a new boiler, if it is deemed to be irreparable or uneconomic to repair.

Miss J has said that the parts quoted for by IPA could be obtained more cheaply, but I have not seen any independent evidence to support this.

Miss J is unhappy that she was told that repairs would be covered only for IPA to later tell her that they would not be due to the limit on the policy.

In my opinion, it would have been preferable for Miss J to have been warned about this possibility earlier on in the process. And I also consider that IPA should have given Miss J the option of having the repairs carried out under the policy and paying the excess over the policy limit herself.

However, IPA's failure to do so does not mean that effectively it should be required to disregard the policy limit or that it should have replaced her boiler. IPA's failure in this regard was not warning Miss J that this was a possibility, it does not change the outcome of the matter – which is that she still had a boiler which was not going to be repairable within the policy limit. Her policy – like most other home emergency policies – does not cover the replacement of a boiler.

Although I consider that IPA should have given Miss J the option of having the repairs done under the policy and paying any excess over the £500 limit herself, there is no persuasive evidence that she would have accepted this option, given the extent of the repairs necessary and the age of the boiler.

I can understand that the reference to other reasons for declining the claim – ie the age of the boiler and third party interference – would have added some confusion but again I do not consider that this is sufficient reason to require IPA not to rely on the terms of the insurance.

Turning to Miss J's comments about the health and safety issues surrounding the engineer's actions, I understand Miss J believes the engineer was incompetent and should not have turned the boiler back on. However, there is no independent persuasive evidence to support this, which would establish that he should not have taken this action or that he was not suitably qualified.

Whilst I appreciate Miss J feels her safety was compromised, and this may well have caused her concern, I am unable to make any finding against IPA in this regard.

Miss J would also like an explanation from IPA as to how and why errors were made. IPA has provided details of the events that occurred during the course of Miss J's claim and Insurer B has outlined these details in its letters to Miss J, apologising for the errors which were made. Miss J appears to want more detailed information as why IPA's procedures and policies failed in this instance. As outlined above, this service does not have a punitive or regulatory function and I do not consider that this is necessary or that there is any further information that IPA can add which would alter my assessment of Miss J's complaint.

There are no set tariffs for what would be awarded by way of compensation and we do not normally make awards for the consumer's time spent involved in a complaint. I am unable therefore to break down what I consider to be the appropriate compensation, in the way that Miss J has requested. However, I have taken account of the confusion and frustration she undoubtedly was caused by the communications with IPA during the course of this matter.

I am required to take account of all the circumstances of the case, as well as awards previously made in cases sharing similar features. Having done so, I do not consider the offer of £300 compensation which has been made to be unreasonable.

### **my final decision**

My final decision is that I do not uphold Miss J's complaint.

I make no award against Inter Partner Assistance SA other than to endorse the offer it has already made to pay Miss J a total of £300 compensation for the distress and inconvenience caused by its handling of her claim.

Harriet McCarthy  
**ombudsman**