

complaint

Mr and Mrs C complained about Acromas Insurance Company Limited. They weren't happy with the way it dealt with a claim under their home emergency insurance policy.

background

Mr and Mrs C made a claim under their home emergency policy as they had a leak from their boiler. An engineer attended and had to arrange to call back as he needed to get new parts for the boiler. But it was subsequently decided that the boiler was beyond economic repair (BER). This was because new parts couldn't be found as the boiler was over 24 years old.

Mr and Mrs C were without hot water and heating so Acromas offered to put them up in hotel accommodation. But this wasn't suitable for Mr and Mrs C as they had pets to look after. It also offered a BER payment of £250 in line with the policy.

But Mr and Mrs C weren't happy about this so they complained. They said that although the boiler had a leak it was working at the time the engineer attended. And so they felt Acromas should pay the full cost (£1900) to replace the boiler.

Acromas accepted that its engineer may have caused Mr and Mrs C's boiler to breakdown. But as the boiler was over 24 years old it didn't think that it should pay all of the replacement boiler costs. But it did offer to uplift the BER payment to £350 and to pay an additional compensation to cover a portion of the additional heating costs incurred. And it offered a payment in acknowledgement of the fact that the boiler had to be replaced slightly earlier than it should have been. Acromas offered £781.47 in total and then added a further BER payment of £350.

Mr and Mrs C remained unhappy so they asked this service to look into things for them. But our investigator thought that the compensation offer of £1131.47 was fair.

As Mr and Mrs C didn't agree the matter has been passed to me for review.

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, although I agree that Acromas didn't deal with Mr and Mrs C's claim very well, I think that Acromas has taken reasonable steps in trying to put things right. I know that this will be a disappointment to Mr and Mrs C but I hope my explanation assists in understanding why.

It is important to emphasise that Mr and Mrs C's boiler was over 24 years old and had a number of leaks and other problems when their own engineer decided to replace it. Indeed, I note that there had been a number of call outs to the boiler in the preceding year. The reason this is important is because it is very likely that Mr and Mrs C's boiler would have needed replacing soon in any event. I say this because of the recent problems with the boiler and the fact that any boiler over 10 years old is considered old and likely to nearing the end of its economic life.

However, I accept that it is possible that Mr and Mrs C's boiler could've lasted a while longer. So, as Acromas accepts its engineer contributed to the premature breakdown I agree that it should do more than just pay its usual £250 BER payment.

But it has done. In fact it has offered to pay a £700 BER contribution towards the cost of a replacement boiler which seems fair given the age of the boiler. Furthermore, it has offered to pay a contribution of 50% towards the extra heating Mr and Mrs C incurred while they were without a boiler. And a contribution towards the extra costs Mr and Mrs C incurred, without notice, when the boiler was deemed BER.

As all of this amounts to £1131.47 and the replacement boiler and fitting was £1900, so I think this feels fair. It certainly covers the cost of fitting the new boiler (£600) and makes a significant contribution to the cost of the new boiler. And as the boiler was pretty much at the end of its economical life, and would need replacing soon anyway, I don't think it would be fair to ask Acromas to pay anymore.

So, despite my natural sympathy for the position Mr and Mrs C found themselves, especially given Mr C's poor health and the time of year, I think Acromas has made a fair offer in acknowledgment of its failings. I simply leave it to Mr and Mrs C to decide whether, upon reflection, they wish to accept that offer now.

my final decision

It follows, for the reasons given above, that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 22 December 2019.

Colin Keegan
ombudsman