



### **summary of complaint**

Ms T complains about Amtrust International Underwriters Ltd's delays in attending to her insurance claim for a broken boiler.

### **background to complaint**

Ms T holds a home insurance policy in connection with her bank account. The policy is underwritten by Amtrust.

On 1 December 2010, Ms T experienced a boiler breakdown and registered a claim with Amtrust. An appointment was made for an engineer to attend the following day.

On the morning of 2 December 2010, Amtrust's engineer cancelled the appointment as he was unable to reach Ms T's property due to adverse weather conditions. Ms T contacted Amtrust, who said the next available appointment was on 4 December 2010.

However, on the evening of 2 December 2010, Amtrust arranged for two electric heaters to be delivered to Ms T. Ms T asked the Amtrust engineer delivering the heaters to look at her boiler when he arrived. The engineer did as Ms T requested, identifying that a new fan was required and said he would return the following day, 3 December 2010.

Ms T contacted Amtrust on 3 December 2010 and was told that its engineers arrange all day appointments. When the engineer had still not arrived later that afternoon, Ms T explained to Amtrust that she was having her birthday party in her home on 4 December 2010 and therefore needed to have her boiler repaired as soon as possible.

An engineer was then due to attend on 4 December 2010 but this appointment was cancelled due to a problem with parts. As a result, Ms T cancelled her party and said she lost a deposit she had paid for catering.

Ms T spoke to Amtrust at lunchtime on 4 December 2010 and Amtrust authorised her to arrange alternative living accommodation due to the boiler problems. Ms T checked into a hotel on 4 December 2010 until 6 December 2010, at a cost of £200.

An engineer repaired Ms T's boiler on 6 December 2010. However, during the attendance on 6 December 2010, the engineer diagnosed that a replacement boiler tray was also required. Amtrust fitted the replacement tray on 31 January 2011.

Ms T complained to Amtrust and, in April 2011, received a refund of £170 towards the cost of her alternative accommodation. Ms T also accepted a payment of £30 from Amtrust which was offered as a gesture of goodwill. Ms T said she accepted this additional payment in order to recoup the full £200 she had paid for hotel accommodation.

However, Ms T remained unhappy and therefore brought her complaint to the attention of this service for consideration.

Our adjudicator investigated Ms T's complaint and recommended that Amtrust should pay Ms T an additional £150 compensation for the distress and inconvenience caused. Amtrust

did not accept our adjudicator's recommendations but offered to pay Ms T an additional £80 compensation.

Ms T's complaint has now been referred to me for a final determination.

### **my findings**

I have considered all the available evidence and arguments from the outset, in order to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I agree with our adjudicator's conclusions that an additional payment of compensation for distress and inconvenience is warranted in the circumstances.

Whilst Ms T's policy does not guarantee that an attendance will take place within any specified timescale, the policy terms and conditions provide that Amtrust:

*"...will endeavour to arrange for an Emergency Repair to be undertaken within two (2) hours of Your call".*

Although an insurer's response to a claim can be delayed by matters which are outside of its control, such as poor weather conditions and the availability of parts, an insurer has a duty to act within a fair and reasonable timescale and without any excessive or undue delay.

Whilst the first engineer's inability to attend on 2 December 2010 due to snow was outside of Amtrust's control, an engineer did manage to attend later that day in order to deliver two heaters to Ms T. However, it was only at Ms T's request that this engineer inspected her boiler and identified that a part was required.

Two missed appointments then followed, on 3 December 2010 and 4 December 2010, before Ms T asked Amtrust about the possibility of arranging alternative accommodation.

Ms T's policy states:

*"If We think Your Home is uninhabitable We will arrange and pay for overnight accommodation for You and Your immediate family up to £150 in total".*

Whilst Amtrust has submitted that it is the policyholder's responsibility to read the terms and conditions and to familiarise themselves with their entitlements under the policy, I consider it would have been fair for Amtrust to have advised Ms T of the maximum amount it would reimburse to her when it authorised the arrangement of alternative accommodation.

Amtrust has said it did not inform Ms T that it would cover the full cost of her hotel accommodation. However Amtrust as the insurer is the party most familiar with the benefits provided under its policies and therefore, to my mind, it ought to have explained to Ms T that any reimbursement for alternative accommodation would be subject to a policy limit.

Had Amtrust advised Ms T that it would pay a maximum of £150 towards alternative accommodation, Ms T may have opted to arrange to stay at a different hotel at a cost which fell within the policy limit.

Instead, Ms T paid a total of £200 for two night's accommodation. I do not consider this amount to be particularly unreasonable or excessive. As Amtrust did not advise Ms T of the applicable policy limit when it authorised her to arrange alternative accommodation,

I consider it would be fair and reasonable for Amtrust to reimburse Ms T for the full amount of the financial loss she has suffered.

Amtrust has already paid Ms T a total of £200 and I consider this payment to be full reimbursement for reasonable financial loss as above, rather than covering any element of compensation for distress and inconvenience caused.

I do consider an additional payment of compensation is due to Ms T for the delays she experienced from 1 December 2010 until 6 December 2010. Ms T and her family were without heating and hot water during this time – I have however taken into account the fact that Ms T stayed in a hotel for two nights.

Whilst an award of £150 is at the higher end of the scale of compensation which I would generally award in cases involving a delay of this length, having taken into account all of the circumstances of Ms T's complaint, I consider a payment of this amount is warranted.

I am mindful of the inconvenience which the two missed appointments on 3 December 2010 and 4 December 2010 will have caused to Ms T, as well as the fact that Ms T had to cancel her birthday party.

Ms T is self-employed and said her ability to work from home was disrupted from 1 December 2010 until 6 December 2010. In addition, although the tray which was identified as being required on 6 December 2010 was a minor part which did not affect the operation of Ms T's boiler, a replacement tray was not fitted until 31 January 2011 as a result of an oversight on the part of Amtrust and because the incorrect part was ordered initially.

I have also taken into account Amtrust's delay in reimbursing Ms T for her alternative accommodation costs in line with her entitlement under the policy until April 2011.

Whilst I appreciate Ms T may be disappointed with the amount of only £150, I should explain that the primary role of the Financial Ombudsman Service is to investigate complaints involving financial loss and the level of any compensation we award for distress and inconvenience is generally modest, and is not meant to be punishment or fine on the business.

### **my decision**

My final decision is that I uphold this complaint.

Amtrust International Underwriters Ltd must pay Ms T £150 compensation for the distress and inconvenience caused.

Christopher Tilson  
**ombudsman**