

complaint

Mr L complains that Acromas Insurance Company Limited should – under a home emergency policy – reimburse him the cost of a new boiler.

background

Mr L had a policy underwritten by Acromas. Through its agents, it declined to help when he found he had a problem with his boiler.

The adjudicator recommended that the complaint should be upheld in part. He concluded that Acromas incorrectly declined the claim. He said that – if it had attended – Acromas would have paid Mr L £250 because the boiler was beyond economic repair. The adjudicator recommended that Acromas should pay Mr L:

1. £250;
2. £150 for distress and inconvenience.

Acromas agrees with the adjudicator's opinion.

Mr L disagrees in part. He says that £150 is not enough compensation for distress and inconvenience.

my findings

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

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I accept that – at first - Mr L believed that the lack of heating and hot water was due to his plumbing system – which was not covered by the policy. From the call recording, I accept that Mr L made a claim under the policy as soon as a private engineer told him that the problem was a failure of the boiler – which was covered by the policy.

I do not consider that Acromas treated Mr L fairly or reasonably by declining to send an engineer.

But Mr L quickly came to the disappointing conclusion that his four year old boiler was beyond economic repair. I find it very likely that – if Acromas had sent an engineer – it would have reached the same conclusion.

The home emergency policy was to provide urgent repair to the boiler. It did not cover the cost of replacement where repair was not economic. I have seen a policy term as follows:

“If your boiler is... beyond economic repair cover... will cease. The authorised insurer will...contribute a maximum of £250 towards the cost of you replacing it with a new boiler.”

Bearing in mind that policy term, I agree with the adjudicator that it is fair and reasonable to order Acromas to pay the £250. I consider that Acromas should also pay interest at our usual rate.

I do not doubt that Acromas caused Mr L some extra upset and put him to some extra trouble at an already difficult time for him and his family. I agree with the adjudicator that £150 is fair and reasonable compensation for such distress and inconvenience.

my final decision

For the reasons I have explained, my final decision is that I uphold this complaint in part. I order Acromas Insurance Company Limited to pay Mr L:

1. £250;
2. simple interest on that amount at an annual rate of 8% from 15 March 2013 to the date it pays him. If it considers it has to deduct tax from the interest element of my award, it shall send Mr L a tax deduction certificate when it pays him. He can then use that certificate to try to reclaim the tax, if he is entitled to do so.
3. £150 for distress and inconvenience.

Christopher Gilbert
ombudsman