

## **complaint**

Ms S complains about the way in which Great Lakes Insurance SE dealt with a claim under her landlord's home emergency plan.

Where I refer to Great Lakes, this includes its agents and claims handlers.

## **background**

On 20 November 2018, Ms S was informed by her tenant that there was a fault with the boiler. It wasn't generating any heating or hot water. So Ms S contacted Great Lakes to make a claim.

Great Lakes appointed a contractor (A), who attended two days later. They diagnosed the boiler as having a faulty switch and circuit board and provided a quote for repairs.

Ms S and her tenant raised concerns to Great Lakes regarding A. They said he was unprofessional, and they didn't trust his diagnosis. Ms S asked whether she could get a second opinion, but Great Lakes said it wouldn't pay for this as there was no reason to doubt what A had said. So Ms S agreed for A to proceed with the repairs.

A week after the claim was first made, Ms S contacted Great Lakes to say A had carried out the repairs but there was still no heating or hot water from the boiler. She was also unhappy with A's conduct, as he had made rude comments to the tenant whilst at the property.

Great Lakes said it would arrange for another contractor (B) to provide a second opinion. They attended the following day and advised that the boiler needed a replacement switch. It's unclear whether this is the same switch A had replaced. B came back several days later to carry out the work, but again this didn't fix the problem.

On 3 December 2018, B attended the property again and recommended that the manufacturers (M) inspect the boiler. Great Lakes contacted M who quoted a fixed price to carry out repairs, but it exceeded the policy indemnity limit by £394. It asked Ms S if she was happy to cover this cost, which she agreed to. So an appointment was arranged with M for two days later.

Ms S contacted Great Lakes the next day to say neither she nor her tenant could be available for the appointment. So it was rearranged for the afternoon of 6 December 2018. But M turned up on the 5<sup>th</sup> instead. As no one was at the property, Ms S called to check whether M would still be attending on the 6<sup>th</sup>, and she was told they would be. But they didn't turn up. Further appointments were arranged for 8 and 10 December 2018, both of which were missed by M.

On 11 December 2018, M did attend Ms S' property. And they diagnosed a fault with the heat exchanger. So a part was ordered and they came back on 18 December 2018 to complete the repairs. At this time they re-diagnosed the fault as being with the circuit board – the part which A had repaired. Ms S says A had used an old part when he replaced the circuit board. Once M replaced this with a new part, the heating and hot water was restored.

Ms S raised a complaint about the service she'd received and the fact her tenant had been without heating and hot water for a month. Great Lakes upheld the complaint and apologised for the poor service Ms S received. It acknowledged that the fault with the boiler was a part

that A had replaced and that the delays in restoring heating and hot water were as a result of these works, though it couldn't say for certain that the part used was an old one.

Great Lakes said A was removed from its contractor network. It removed the cost of both A and B's work from the policy indemnity limit. In addition, M has refunded £149 of their fees to apologise for their delays and missed appointments. To compensate Ms S for the stress and inconvenience this has caused, Great Lakes offered £50 compensation and later increased this to £150.

Our investigator felt that Great Lakes had acted fairly by reinstating the indemnity for A and B's costs. And that it was reasonable for M to refund part of their costs for their delays. He also thought that £150 was a reasonable offer for the impact this had on Ms S. This is because she'd had to attend the property multiple times to accommodate appointments, many of which had been missed. And on several occasions, she'd had to bring her children with her.

Our investigator also said Great Lakes should pay 50% of the month's rent for December. This is because Ms S's tenant had been without heating or hot water for a month, so she would need to offer him a discount on his rent and this will be a financial loss to her.

Ms S agreed with our investigator's recommendations but Great Lakes didn't. It said it can't be held accountable for its contractor's actions. But it offered to increase the compensation to £250.

As the complaint hasn't been resolved, it has been passed to me for a final decision.

Before making a decision I asked for some further information from Ms S about any loss of rent. She's explained that she discussed this with her tenant and hoped to offer a refund, so he would have been expecting to receive something from her. I explained to Ms S that, while I could see why she might want to offer something to her tenant, it didn't seem to me she had suffered an actual loss and so I wasn't minded to award any compensation for this. She feels it's right to make a payment to him but said she would accept whatever I decided.

### **my findings**

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

Ms S has a landlord's home emergency plan which will cover up to the policy's claim limit in the event of the complete breakdown of the primary heating system. She's covered for emergency work or a permanent repair, if this can be done at similar cost.

It's not in dispute that Ms S made a valid claim. An insurer should deal with all claims fairly and promptly. And from the policy terms, I'm satisfied that she was justified in expecting a level of urgency when making her claim – the purpose of the cover is to arrange for "*Emergency Work*" to "*resolve an emergency*".

When the claim was first made, Ms S received the service I'd expect her to – a contractor attended within two days and a permanent fix was implemented a week later. However, both Ms S and her tenant reported to Great Lakes that A was unprofessional and rude. In addition, the part failed. Whilst Great Lakes hasn't acknowledged that an old part was used, I

can see from M's subsequent report that it says, "*the circuit board fault still continued (suspect it to be old stock as an old fd number)*".

Great Lakes say Ms S didn't have to proceed with A. And it isn't responsible for A's behaviour. But I disagree. Ms S raised concerns about A after the first appointment and she requested a second opinion. But Great Lakes said it wouldn't fund this. So I don't think Ms S had a choice whether or not to proceed with A. And Great Lakes is responsible for the contractor, who was carrying out the repairs on its behalf.

So I think Great Lakes need to put things right for Ms S. I've thought about what steps need to be taken to do this. I think the actions already offered – the compensation of £250, deducting the cost of work from the claim and reinstating the claim limit – are fair.

The property had no heating or hot water for a month longer than it would have, if A had completed the repairs correctly. Our investigator also recommended a payment for 50% of the month's rent. This isn't covered under the policy terms. But if Ms S has suffered a loss because Great Lakes didn't deal with her claim correctly, it wouldn't be fair to leave her out of pocket as a result of this. So I have also considered whether she suffered a financial loss that should be reimbursed.

Ms S has explained that her tenant didn't withhold the rent. He has since left the property and hasn't pursued this, though she indicated that she would offer a payment if she could recover this through her insurance claim. I've considered this but in the circumstances here I don't think I could say she has suffered a loss. So I won't be awarding compensation for this.

### **my final decision**

I uphold this complaint and direct Great Lakes Insurance SE to:

- pay £250 compensation to Ms S;
- deduct the full cost of A and B's work from the claim limit under the policy;
- reinstate £149 of the policy's claims limit for M's deduction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 17 February 2020.

Peter Whiteley  
**ombudsman**