

complaint

Mrs M complains that Admiral Insurance (Gibraltar) Limited is responsible for poor service in connection with her boiler emergency insurance.

background

With effect from 11 November 2017 Mrs M had a home insurance policy. The policy covered home buildings and home contents. Mrs M didn't have the optional "*home emergency cover*" but she did have the optional "*boiler emergency cover*".

Admiral was the insurer responsible for dealing with claims. Where I refer to Admiral I include other companies and individuals insofar as I hold Admiral responsible for their actions.

On Thursday 11 October 2018, Mrs M's central heating boiler stopped working. On Wednesday 17 October 2018 she called Admiral for help. It wouldn't send an engineer because she hadn't contacted it within 48 hours. So she complained about that.

In a final response letter dated 19 October 2018, Admiral repeated that it declined the claim because Mrs M hadn't contacted it within 48 hours. Mrs M brought the complaint to us.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. He didn't think Admiral had acted fairly. He thought that Admiral had very strictly applied the terms of the policy and hadn't taken into consideration the situation as a whole. He recommended that Admiral should:

1. pay for an engineer to visit and try to repair the boiler in line with the insurance cover Mrs M had; and
2. pay Mrs M £500.00 in recognition of the trouble and upset experienced by not providing cover which she had on the policy and the impact it had on her.

After the investigator's opinion, Mrs M told us the following:

"Admiral insurance reviewed policy booklet and believed the case to be unfair.

£286 was given as compensation for [declining] the case in the first place on the 29/09/2019"

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mrs M and to Admiral on 30 January 2020. I summarise my findings:

There was no technical evidence to show what was wrong with the boiler, whether it was repairable and if so at what cost. So I couldn't say whether or to what extent Admiral should've covered the repair.

Therefore I couldn't say that Admiral was responsible for leaving Mrs M without heating and hot water when it should've fixed her boiler.

But I was minded to find Admiral responsible for leaving Mrs M not knowing what was wrong with the boiler. And I didn't doubt that - by taking a stance I'd found unfair - Admiral caused Mrs M distress and inconvenience at having her claim dismissed out of hand.

Subject to any further information from Mrs M or from Admiral, my provisional decision was that I was minded to uphold this complaint in part. I intended to direct Admiral Insurance (Gibraltar) Limited to pay Mrs M (insofar as it hadn't already paid her) £300.00 for distress and inconvenience.

Mrs M accepted the provisional decision. She says, in summary, that the payment (of £286.00) was compensation but she was not happy with the amount. Someone has looked at the boiler and it is not repairable. She cannot get credit for a new boiler so she is borrowing money from her mother to get a new one.

Admiral hasn't responded to the provisional decision.

my findings

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

Admiral hasn't given us much detail about its sales process. But I've seen a proposal form dated 18 October 2017. And I note that it refers to "*the Guide to your Admiral Gold Home Insurance cover at www.admiral.com.*" I will come back to that ("the Guide").

I accept that Admiral sent Mrs M a policy schedule. It was also dated 18 October 2017 but it covered the year from 11 November 2017. It included the following:

***"Home Emergency Cover: Not Included
Boiler Emergency Cover: Included
If any of the covers listed above are referenced as 'Included' or 'Policy Upgrade' please visit www.admiral.com to access the relevant terms and conditions."***

Admiral has sent us the Guide. It comprises 119 pages of policy terms. It is actually four guides to (respectively) home buildings and contents, boiler emergency, home emergency and legal expenses. But the Guide has a single index.

Admiral has relied on the following term:

***"2. Claims procedure
If you or your family are involved in any type of claim or loss, you must tell us about the incident within 48 hours of discovery."***

But that's on page 52 of a 119- page document available on Admiral's website. So I'm not satisfied that Admiral did enough to draw it to the attention of Mrs M when she bought the policy. That's one reason why I won't find it fair for Admiral to decline a claim on the ground that it wasn't notified within 48 hours of discovery.

In any event, page 52 is in the first part of the Guide - before the guide to the boiler emergency cover. The guide to the boiler emergency cover includes (from page 67) "General exclusions and conditions of your Boiler Emergency cover". Those exclusions and conditions don't mention a 48-hour rule.

Rather the guide to the boiler emergency cover includes the following:

*"How to make a Boiler Emergency claim
Please call us as soon as you are aware of the emergency."*

The guide to the boiler emergency cover goes on to say the following:

"There are conditions and exclusions, listed previously, which limit the type and value of emergency repairs you can claim for. Please read them carefully to ensure this cover meets your needs. We do not wish you to discover after an emergency has occurred that it is not covered."

I've added the underlining. The underlined words are about limits to "emergency repairs". And the first part of the Guide is noting to do with emergency repairs. So the underlined words are not a reference back to the 48-hour rule on page 52 in the first part of the Guide. The underlined words are a reference to the "General exclusions and conditions of your Boiler Emergency cover" (which has no 48-hour rule).

That's another reason why I won't find it fair for Admiral to decline a claim on the ground that it wasn't notified within 48 hours of discovery.

I note that the boiler emergency cover was limited to £500.00 per claim and two claims per year. The terms provided that Admiral might agree to a "reimbursement basis" so that Mrs M might pay an engineer and claim reimbursement.

The terms excluded repair due to scale or sludge. The terms also excluded repair where Admiral was unable to repair the boiler.

I accept Mrs M's statement that her husband was working away from home when the boiler broke down on 11 October 2018. The 48-hour period would've expired on 13 October 2018 (a Saturday).

I've seen a renewal proposal form and a renewal schedule. Each of them is dated 16 October 2018 but to cover the year from 11 November 2018. I find it likely that Admiral sent Mrs M those documents on 16 October 2018.

I accept that she didn't remember the boiler emergency cover until her husband got home on about 17 October 2018.

I don't doubt that the house had started to get cold. But I don't accept that the short delay had any prejudicial effect on Admiral. That's another reason why I won't find it fair for Admiral to decline a claim on the ground that it wasn't notified within 48 hours of discovery.

On 17 October 2018 Mrs M contacted Admiral to ask for help with her boiler. So she was making a claim. For the reasons I've mentioned, I don't find it fair for Admiral to decline her

claim on the ground that it wasn't notified within 48 hours of discovery. But that was the stance Admiral took and reiterated in its final response on 19 October 2018.

I've seen a letter dated 29 October 2018 by which Admiral said it wouldn't be renewing the policy with effect from 11 November 2018. Admiral hasn't given any reason for that. But it was a yearly policy so I can't say Admiral had to renew it.

When our investigator sent his opinion in February 2019, he said Mrs M's boiler still hadn't been inspected and still wasn't working – so she had no heating or hot water.

Mrs M mentioned illness and unemployment. She accepted the investigator's opinion.

Admiral maintained its decision to decline her claim on the ground that it wasn't notified within 48 hours of discovery.

In a follow-up opinion in March 2019 our investigator said Mrs M was heating water in a kettle or using her cooker and she has a wood burner in her living room where she'd slept on very cold nights.

On 21 March 2019 one person on behalf of Admiral suggested that the complaint-handler give Mrs M a courtesy call and confirm if the emergency had been alleviated or not. But there's no evidence such a call happened.

Admiral maintained its decision to decline her claim on the ground that it wasn't notified within 48 hours of discovery. So the complaint has been in our queue for this decision.

I've thought about what's fair and reasonable to try to put Mrs M in the position she would've been in if Admiral had sent an engineer in October 2018.

Winter has come round again. There is no technical evidence to show what was wrong with the boiler. But Mrs M says the boiler is not repairable. So I can't say that Admiral should've covered the repair.

Therefore I can't say that Admiral is responsible for leaving Mrs M without heating and hot water when it should've fixed her boiler.

But I find Admiral responsible for leaving Mrs M not knowing what was wrong with the boiler. And I don't doubt that - by taking a stance I've found unfair - Admiral caused Mrs M distress and inconvenience at having her claim dismissed out of hand.

Overall I find it fair and reasonable to direct Admiral to pay Mrs M £300.00 for distress and inconvenience. I have no reason to doubt that Admiral has already paid Mrs M £286.00 as compensation. So I will direct it to pay her a further £14.00.

my final decision

For the reasons I have explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance (Gibraltar) Limited to pay Mrs M (in addition to its payment of £286.00 a further £14.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 27 March 2020.

Christopher Gilbert
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