

## **complaint**

Ms C is unhappy with the way her claim for a replacement boiler was dealt with by Society of Lloyd's under her Homeplan insurance. The policy is a Gas Council branded one and the claim was dealt with by them. But for convenience I shall refer to Lloyd's throughout.

## **background**

In February 2016 Ms C made a claim to Lloyd's after her boiler broke down. An engineer visited and deemed the boiler to be beyond economic repair. It was agreed that a new boiler would be ordered and installed. When the engineer came out to install the new boiler, he discovered that it was too big for the cupboard space. The doors wouldn't close properly. The boiler couldn't be connected at that stage. Ms C also thought that she had an agreement that Lloyd's would pay for the cupboard to be altered and she got a quote for this. Ms C then spent several months trying to contact Lloyd's, by phone and email and even had a solicitor's letter written to which there was no response. The boiler was finally installed in August 2016 but the engineer couldn't connect it to the timer or thermostat. The boiler was also leaking slightly. There were a few visits after that but the problem with the thermostat continued. This, she says, wasn't finally resolved until November 2017. She still hasn't received a guarantee.

Lloyd's agreed that Ms C had had a poor service and paid her £150 compensation. It felt that it had resolved the balance of the complaint by arranging an engineer to complete the installation. It said it didn't have any liability for the alterations – this didn't come under the policy terms.

On referral to this service our adjudicator found that the engineer had advised Ms C that the boiler was the same size as the old boiler, which was incorrect. And that no measurements were taken prior to the fitting of the new boiler. He further found that Lloyd's had taken no action after that, and failed to respond to telephone calls and emails. So for nearly six months Ms C had no heating or hot water. He thought that Lloyd's should increase the compensation for inconvenience to £600 and either pay for the cost of alterations to the cupboard or pay for a new boiler which will fit in the cupboard. As Ms C hadn't received the guarantee, he said it should supply this.

Ms C thought she should have further compensation for her time off work to supervise visits, the cost of having showers at the local pool, the cost of recorded delivery letters, and the cost of a solicitor's letter. She also pointed out that she had to pay the policy premiums for six months without any benefit.

Lloyd's advised that the policy wouldn't cover alterations to the property in the event that the new boiler was of a different size. It said the engineer didn't measure the boiler but it wouldn't do that in any event. But it accepted that Ms C had been caused inconvenience by having no hot water or heating for nearly six months. So it agreed to the increased compensation figure. It proposed to pay one half of the cost of altering the cupboard. It pointed out that the guarantee was for two years so would have expired anyway.

I issued a provisional decision. In it I proposed that Lloyds pay the additional compensation and pay the full cost of altering the cupboard.

Lloyds accepted my provisional decision. Ms C accepted it though queried whether the £600 was to be in addition to the £150 already paid.

## my findings

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

My provisional findings were as follows:

*"delay*

*There clearly was some delay on the part of Lloyd's. The policy is supposed to provide emergency cover, so the policyholder isn't without heating or hot water for too long. I'm aware that there is some dispute over what was said/agreed with various engineers who visited the property. Ms C did follow up those visits with phone calls, which unfortunately aren't available. My understanding is that the calls are usually recorded.*

*My view of the matter is that Ms C has accurately described what happened – she was told a replacement boiler was needed and would fit in the space. There is a suggestion in the notes that Ms C had asked for a specific type of boiler which wasn't readily available. But she couldn't be expected to have any expertise in that field. And I can understand that she would have been anxious to have the system up and running. But the installation couldn't be completed in March 2016.*

*There were some problems with the engineer coming back to complete the boiler installation. The engineer sent out was expecting an emergency job. There were then some further delays as it appears that Lloyd's was waiting for Ms C to have the cupboard altered. And whilst the policy wouldn't cover alterations to the property, I find in this case that Lloyd's agreed to pay for those alterations. It specifically wrote to Ms C and asked for a "quote from a local joiner for the work necessary for the boiler housing." The cost proved to be more than just altering the cupboard doors. It included replastering part of a sloping ceiling and the quoted cost was £683. And Ms C had some trouble in getting a quote, so that it wasn't until August 2016 that the boiler was successfully installed.*

*The problem in this case is that Lloyd's arranged to have the boiler fully installed but didn't balk at paying the joiner's quote until sometime later, after March 2017 when Ms C made a formal complaint. I think, in view of the fact that Lloyd's went ahead with installing a larger boiler without advising Ms C that she would have to pay to have the cupboard altered, it should now pay the cost of that alteration. I have considered the adjudicator's alternative proposal, that Lloyd's source a suitable replacement boiler to fit in the space, but I don't think that's a practical solution, as I think it unlikely that one would be available.*

*I note also that Ms C had trouble after that in getting the thermostat fixed, which she says took a further 15 months, and I have no reason to disbelieve her. I also find that Ms C made a number of calls to Lloyd's which it didn't follow up. She also wrote letters, and emails and a solicitor wrote on her behalf, which she didn't get a response to.*

### *compensation*

*Overall Ms C was put to severe inconvenience. I think it fair that the compensation payment should be increased to £600. I won't award a separate amount for the number of visits Ms C had to supervise. In a claim like this it's difficult to separate out necessary visits (eg if parts aren't available) from necessary ones. The policy doesn't cover the usual cost of the policyholder being present to supervise. But because Ms C was caused extra inconvenience I think it fair to account for this by increasing the overall award for inconvenience to £600. I also include in that the extra postage costs she incurred,*

*As for the solicitor's letter we don't usually award legal costs and Ms C had the option of using this service without payment,*

*I understand that Ms C was put to the expense of having to use the local swimming pool to have showers. Since she had the benefit of using the pool and wouldn't have had to use her gas at home. I'm not inclined to award that. Similarly, while she didn't have the use of the boiler, the policy covered other things in the home (eg drainage), so I won't award any refund in premiums.*

### *guarantee*

*The boiler was installed and working from August 2016. I understand that the guarantee only lasted two years, so I don't think there's any point now in requiring Lloyd's to produce one. If there are problems relating to the installation, then Lloyd's would still be responsible for that. And Ms C will still have the benefit of cover under the policy."*

As both parties have accepted my decision, I shall make no further comment, except just to clarify that the £600 includes the £150 already paid. My provisional findings are now final and form part of this decision.

### **my final decision**

I uphold the complaint and require Society of Lloyd's to:

- pay a further £450 compensation (making the total compensation in this case £600) in respect of the inconvenience caused to Ms C, and
- pay Ms C £683, for the cost of altering her cupboard

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 25 February 2019.

Ray Lawley  
**ombudsman**