

complaint

Mr A complains that Ambant Underwriting Services Limited's appointed engineer didn't tell him about a leak during a boiler service. This meant his home was damaged by water later that night.

background

Ambant arranged a home emergency insurance contract for Mr A. His contract included an annual boiler service. On 7 June 2016 an engineer carried out the service. Late that evening Mr A's wife noticed a leak in the cupboard under the boiler. Mr A contacted Ambant.

Mr A told Ambant he'd put a bucket under the boiler, to catch the leak. Ambant told him to turn off the water, and said it would arrange an engineer to call out to him. Mr A said he couldn't find the stopcock, and stayed up to replace the bucket as it filled. At around 6am he did manage to shut off the water supply. He called Ambant again as he'd not heard from an engineer. The same engineer came back later that day to deal with the leak.

Mr A asked Ambant to pay for the damage caused by the leak. Ambant said it didn't cause the leak, although its engineer had noted it during the 7 June service. Ambant said consequential damage wasn't covered under the policy so it wouldn't pay for the repairs to Mr A's home. He came to us.

Our adjudicator thought Ambant should either repair the damage to Mr A's property or pay him the cost for reasonable repairs. This was because its engineer had noted the leak during the annual service but hadn't told Mr A about it so he could take preventative action. Our adjudicator said Ambant should also pay Mr A £100 for inconvenience.

Ambant didn't agree. It said it had told Mr A to turn off the water when he first called. He'd not called it back to say he couldn't find the stopcock or to say he couldn't contain the leak.

Our adjudicator told Ambant he thought Mr A had taken action to prevent further damage, and would reasonably have expected an engineer to come out to him. So he didn't change his conclusions, and asked Ambant to pay for the repairs and £100 for inconvenience. Ambant didn't reply to his second opinion letter so the complaint's come to me for review.

my findings

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

Like the adjudicator I think Ambant's appointed engineer noted the leak during the boiler service. He said there was a leak on the pump hydroblock and filling loop valve. These parts needed replacing. But the engineer noted the report to say he'd not told Mr A about this.

I accept Mr A's account that the leak occurred after the annual service. He's explained the cupboard under the boiler contains his wife's shoes, which is how she'd noticed the leak late in the evening of 7 June. He took reasonable steps to contain the leak. He's sent photos of the water damage.

Ambant says the policy doesn't cause consequential damage. But I think the damage to Mr A's property happened because Ambant's appointed engineer didn't tell him about the leak. The engineer also didn't take steps to prevent the damage, such as shutting off the boiler until the parts had been replaced. Mr A took steps to limit the damage when he noticed the leak.

So I agree with the adjudicator's conclusions that Ambant should pay Mr A's reasonable costs to repair the water damage, or arrange to repair the damage at its own expense (if he's not already repaired it himself).

I also think Ambant's handling of this matter has caused Mr A inconvenience. It didn't tell him about the leak, which would have prevented the damage. And he stayed up all night waiting for an engineer to come out to him, which didn't happen until he chased Ambant again. I think £100 is reasonable for this inconvenience.

my final decision

I uphold this complaint. I order Ambant Underwriting Services Limited to:

- pay Mr A the reasonable costs of repairing the water damage to his property due to the boiler leak. If Mr A has paid for the repairs Ambant should add interest to the payment at 8% per year simple from the date he paid for the repairs to the date of settlement. If Mr A hasn't yet carried out the repairs Ambant can opt to arrange to repair the damage at its own expense; and
- pay Mr A £100 for inconvenience.

Ambant Underwriting Services Limited must pay the total compensation within 28 days of the date on which we tell it Mr A accepts my final decision. If it pays later than this it must also pay interest on the £100 compensation from the date of my final decision until the date of payment at 8% per year simple*.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 December 2016.

Amanda Maycock
ombudsman

*If Ambant Underwriting Services Limited considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr A how much it's taken off. It should also give Mr A a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.