

complaint

Mr L complains about The Society of Lloyd's delays in resolving a claim for the breakdown of a boiler at his tenanted property, under his 'Home Emergency Solutions' insurance policy.

background

On 1 March 2013, Mr L registered a claim with Lloyd's as the boiler at his tenanted property had broken down. An engineer attended on the same day and diagnosed that a replacement fan and air pressure switch were required. However, Mr L pointed out that documentation from an annual service carried out on the boiler in February 2013 indicated that the problem may be with the PCB.

Lloyd's received details of the diagnosis from its engineer on 5 March 2013. As the cost of the necessary parts and labour would exceed Mr L's policy limit, Mr L paid £325.89 to Lloyd's. The engineer attended on 5 March 2013 and concluded that the PCB needed to be replaced.

An engineer appointed by Lloyd's inspected the boiler again on 19 March 2013 and confirmed that a replacement fan was required. This was fitted on 21 March 2013 but the engineer noted that an air pressure switch was still required. Further parts were fitted by Lloyd's at the end of March 2013 but the boiler was still not fully operational. Mr L replaced the boiler on 3 April 2014.

Unhappy, Mr L complained to Lloyd's. Lloyd's initial response to the complaint acknowledged that the claim process had not run smoothly but said it required evidence from Mr L of the boiler service history before it could consider the matter further.

Lloyd's subsequently sent a final response letter to Mr L, offering to pay him £150 compensation. Lloyd's noted that there had been delays in the claim, but said not all of these delays could be attributed to Lloyd's.

As Mr L remained dissatisfied, he brought his complaint to the attention of this service and sent us evidence from his tenant confirming that a £300 rent rebate had been agreed because of the lack of heating in the property.

Our adjudicator recommended that Lloyd's should refund Mr L the £300 rent rebate, in addition to the £150 compensation already offered. Lloyd's did not accept our adjudicator's recommendations and says;

- Mr L was aware of an issue with his PCB following the February 2013 annual service and therefore had a duty to prevent the claim occurring;
- Mr L was obstructive during the claim providing his own assessment of the fault;
- it is not reasonable to require it to reimburse money arising from a private contractual arrangement between Mr L and his tenants;
- Mr L's home emergency insurance policy does not provide cover for loss of rent.

The complaint has now been referred to me for final determination.

my findings

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

Lloyd's has sent us copies of lengthy correspondence both internally and between itself and Mr L. However, the exact sequence of events which took place during this claim is still unclear.

It appears that the air pressure switch was never fitted, as the engineer who attended at the end of March believed the problem was actually with a diverter valve and that fitting the air pressure switch would be of no benefit. Mr L was therefore refunded the £325.89 he paid to Lloyd's, ten days after paying it. However, Mr L says there was a delay by Lloyd's in informing him that this air pressure switch had not been fitted and, also, in arranging to refund his money to him.

What is clear is that following a number of weeks of delay, the fault with Mr L's boiler remained unresolved and Mr L therefore opted to replace the appliance.

It is not possible for me to determine with any certainty what the fault was with the existing boiler and whether or not it would have been possible for Lloyd's to repair it. However, I do not believe that Lloyd's handled this claim as it should have, nor do I feel that Lloyd's handled Mr L's subsequent complaint particularly well.

Following the initial attendance on 1 March 2013, Lloyd's did not fit any parts to the boiler for a further twenty days. I do not consider it is fair and reasonable for Lloyd's to point to Mr L's actions as the main reason for this delay. Mr L is entitled to disagree with Lloyd's diagnosis and I note that the air pressure switch which Mr L was charged for at the outset was subsequently not required – and I note that he paid this additional costs immediately, which would seem to be a sign of his cooperation, even though he doubted the diagnosis. From the information I have seen, it also appears that Mr L was correct in his suggestion that a replacement PCB was required.

Lloyd's has suggested that Mr L ought to have arranged to have the PCB replaced after the February 2013 service, which noted that “...*if symptoms persist then new PCB will be required*”. However, there is no suggestion that the PCB failed prior to 1 March 2013. Mr L holds a home emergency policy which excludes cover for issues which are pre-existing at the start of the policy only. I do not consider that Mr L's duty to ‘*prevent anything happening that may cause a claim*’ extends to requiring him to incur expense in replacing a part that has not yet failed but may do so in the future.

Lloyd's has pointed to occasions when its engineer was unable to access Mr L's tenanted property. However, Mr L has said that these appointments were not pre-arranged and there is no information in Lloyd's file which contradicts this.

I understand that Lloyd's does not believe it is responsible for any loss of rent incurred by Mr L. However, whilst Mr L's agreement to offer a rent rebate to his tenant was a private one, I do not believe this was unreasonable given the length of time during which his tenant was without heating. I believe this payment would not have been necessary had Lloyd's acted more efficiently in attempting to resolve Mr L's claim. Ordinarily we may award compensation for being without heating and hot water to the policyholder, in this case Mr L

did not suffer the inconvenience and discomfort of this himself but his tenants did and he rightly compensated them.

For these reasons, I consider it would be fair and reasonable for Lloyd's to reimburse Mr L the £300 paid to his tenant. This is in addition to the £150 compensation already offered which is, in my view, warranted for the distress and inconvenience experienced by Mr L as a result of Lloyd's handling of the matter.

my final decision

My final decision is that I uphold this complaint.

The Society of Lloyd's must pay Mr L £300, in addition to the offer of £150 compensation already made.

Harriet McCarthy
ombudsman