

complaint

Mr H complains that Acromas Insurance Company Limited is responsible for poor service in connection with a home emergency insurance policy.

background

The Financial Ombudsman Service deals with a complaint against one insurer or other regulated financial firm at a time. Where a consumer brings us a complaint about an insurance claim we deal with it as a complaint against the insurance company. We name that company in our decision. We don't name other parties.

Acromas was the insurer responsible for dealing with claims under Mr H's policy. It was branded with the name of a members' organisation that transferred its business to a home assistance company. Where I refer to Acromas or the insurer I include other businesses and individuals for whose actions I hold Acromas responsible.

For a number of years Mr H had had a home emergency policy. It covered home emergencies including electrical failure. It also covered his central heating. Mr H had a boiler fuelled by LPG (liquid petroleum gas).

Mr H had some boiler repairs under the policy, including in 2016 and 2017. In January 2018 the insurer helped with an electrical problem. In February 2018 Mr H's boiler broke down. He complained about the response from the insurer. Its final response letter in March 2018 said it was sending him £250.00 "*for the inconvenience caused*".

Mr H brought his complaint to us. His complaint form included the following points:

1. The insurer couldn't repair his boiler because of the transfer of business from the members' organisation to the home assistance company.
2. The insurer sent uncertified engineers who did illegal repairs.
3. The insurer went back on an offer of repair, resulting in a costly boiler replacement.
4. Mr H complains that the insurer should reimburse his expenses and refund his premiums.
5. He also says the insurer should make a report under the "*Ridor*" scheme.

our investigator's opinion

Our investigator recommended that the complaint should be upheld in part. She didn't think that the insurer had dealt with all aspects of Mr H's complaint fairly. She recommended that the insurer should pay Mr H an additional £100.00 compensation for trouble and upset.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr H and to Acromas on 27 September 2019. I summarise my findings:

I'd found evidence of some delay, poor communication and withdrawal of an offer of a fixed price repair. Whilst I hadn't found that these shortcomings caused Mr H a

recoverable financial loss, I found that they caused Mr H distress and inconvenience at an already difficult time for him.

I kept in mind that the policy provided for a BER payment of £250.00. So I didn't think the final response letter or the investigator's recommendation went far enough to compensate him.

Subject to any further information from Mr H or from Acromas, my provisional decision was that I was minded to uphold this complaint in part. I intended to direct Acromas Insurance Company Limited to pay Mr H – in addition to the £250.00 it had paid - a further £250.00 for distress and inconvenience.

Acromas accepts the provisional decision.

Mr H disagrees with the provisional decision. He says, in summary, that:

- The boiler was newly fitted in 2007.
- The boiler was always serviced by the insurer or its subcontractors.
- The insurer was taking money for cover they were unable to provide.
- On two separate occasions after routine services in 2012 & 2015 the insurer had to attend after the service where they found damaged gaskets which caused cables, electrodes etc. to be replaced. On the 2012 visit the Co2 emissions were dangerously high – which was RIDOR reportable. The engineer who found this was not registered for LPG.
- The insurer used uncertified engineers who caused unseen unrepaired damage to the boiler which later failed.
- An uncertified electrician admitted he shouldn't be working on the side of the consumer unit he was working on. A qualified electrician attended and said that this was also RIDOR reportable.
- The insurer made promises but then reneged on them - and generally lied.

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've looked at over twenty transcripts of telephone calls.

boiler repairs 2012

Mr H has recently sent us a record of a visit in November 2012. It includes a record as follows:

“Co2% VERY HIGH”

So I accept that there had been a problem in 2012.

But there's not enough detail or engineering evidence to show that the insurer was responsible for poor quality servicing or repairs at that time. So there's not enough detail or engineering evidence to show that poor quality repairs caused problems later.

boiler repairs 2015

Mr H has recently sent us records of visits in August 2015. These include a record as follows

*"Boiler inoperable...
Main heat exchanger seal damaged"*

And I can see that the insurer said it needed new parts including electrodes, a gasket and an ignition lead.

But there's not enough detail or engineering evidence to show that the insurer was responsible for poor quality servicing or repairs at that time. So there's not enough detail or engineering evidence to show that poor quality repairs caused problems later.

boiler repairs 2016 and 2017

I've seen the insurer's notes of some boiler repairs in 2016 and 2017. There's no evidence that Mr H complained at that time. And there's not enough detail or engineering evidence to show that the insurer was responsible for poor quality servicing or repairs at that time. So there's not enough detail or engineering evidence to show that poor quality repairs caused problems later.

policy terms on renewal April 2017

The applicable policy terms were those dated 6 July 2016. The policy renewal date was in early April 2017. Mr H had cover called "*Home Emergency Response and Central Heating Plus*".

The policy terms said that a boiler would be "beyond economic repair" ("BER") if the parts required to make a repair are no longer readily available or – in the case of a boiler ten or more years old - the cost of parts (including VAT) required to repair it exceeds its current value based on age and condition. If a boiler was ten or more years old, the insurer would make a BER payment of £250.00.

The policy terms also said that the insurer would reimburse accommodation costs up to £150.00 per night (including VAT) for up to 7 nights where an emergency made Mr H's home uninhabitable for 48 hours or more. There was an exclusion for meals (including drinks), parking, or any other extra costs that exceed the basic room rate.

electrical repair January 2018

I've seen the insurer's notes of an electrical repair in January 2018. There's no evidence that Mr H complained at that time. There's not enough detail or technical evidence to show that the insurer was responsible for poor quality - or illegal - repairs at that time.

As Mr H had made a claim and received service under the policy, I don't find it fair and reasonable to direct the insurer to refund any of his premiums.

boiler breakdown February 2018

Mr H already had a problem when he and his wife contacted the insurer on 22 February 2018. His boiler had broken down so he had no central heating. That's why he contacted the insurer. I think it was bound to take at least a day or two to resolve his problem.

I accept that the insurer gave Mr H some conflicting and incorrect information about the involvement of the home assistance company.

The insurer didn't respond as quickly as it might've done. It arranged a visit on Saturday 24 February.

But the insurer had offered to pay for any engineer Mr H could find sooner. And it arranged hotel accommodation.

It took until 27 February for the insurer to decide the boiler was BER. Mr H disagreed with the insurer's figures (around £1,000.00) for the cost of repairs. But I find it likely that those costs were more than the value of the old boiler. So I don't find that the insurer treated Mr H unfairly by saying it was BER.

The insurer offered Mr H the alternatives of a £250.00 BER contribution or a repair for a fixed price. It later withdrew its offer of a repair. I think this was because the boiler supplier said Mr H's boiler was in poor condition.

I don't think the insurer treated Mr H fairly by making an offer and then withdrawing it. But I note that – rather than paying for a repair – Mr H decided to have a new boiler. I think this shows that the time had come for him to pay for a new boiler. So I don't find it fair and reasonable to direct the insurer to contribute more than £250.00 towards the cost of that.

health and safety

I think Mr H is referring to the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations. But I don't think he's saying there was any injury or disease. And there's not enough detail or engineering evidence to show that the insurer was responsible for causing or reporting a dangerous occurrence.

overall

I've found evidence of some delay, poor communication and withdrawal of an offer of a fixed price repair. Whilst I haven't found that these shortcomings caused Mr H a recoverable financial loss, I find that they caused Mr H distress and inconvenience at an already difficult time for him.

I keep in mind that the policy provided for a BER payment of £250.00. So I don't think the final response letter or the investigator's recommendation went far enough to compensate him. I find it fair and reasonable to direct the insurer to pay Mr H – in addition to the £250.00 it has paid - a further £250.00 for distress and inconvenience.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Acromas Insurance Company Limited to pay Mr H – in addition to the £250.00 it has paid - a further £250.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 22 November 2019.

Christopher Gilbert
ombudsman