

complaint

Miss H complains about the way Admiral Insurance (Gibraltar) Limited (“Admiral”) responded when her central heating boiler broke down and she asked for its assistance under her boiler emergency insurance policy.

background

In November 2017, Miss H’s central heating boiler broke down. She had boiler emergency cover under a policy with Admiral. So she phoned its representative and asked it to send an engineer. She mentioned that the engineer it had previously sent in the summer wasn’t very nice and she hadn’t agreed with what he had said. So she asked that a different engineer be sent.

In fact, the engineer who arrived was the one she had asked not to be sent. He diagnosed the fault without looking inside the boiler and said it would cost some £1,400 to repair, which meant it was uneconomic to repair. He said he could supply a replacement boiler which would cost over £2,000.

Miss H didn’t accept this offer. She contacted the boiler manufacturer which sent its own engineer. He repaired the boiler at a cost of £294.00 spread over six months, which included a six month maintenance contract with the manufacturer. She also had to enter into a further twelve months maintenance contract with the manufacturer at a cost of £28 a month.

She complained to Admiral about its poor service. It said that in accordance with her request, it had originally allocated the job to a different engineer. But because he was ill on the day, the job was reallocated to the engineer who attended, without her request being noticed at that stage.

It said the engineer was very experienced and diagnosed the issue relying on his previous visit in the summer. He had thought three components needed to be replaced. The manufacturer’s engineer had replaced two of these. However it transpired that the third component, a heat exchanger, didn’t need to be replaced.

Miss H’s policy covered the first £500 of costs. If its engineer had replaced the two components, the cost to Miss H, after allowing for this £500, would have been £265.60. She had paid £294.00 for the repair. So Admiral offered to pay her £148.20 made up of:

- the difference of £28.40;
- £20 for calls she had to make;
- £50 for additional heating costs ; and
- £50 compensation.

Miss H didn’t accept this offer. She thought it wasn’t enough. So she complained to us.

Our investigator didn’t recommend that this complaint should be upheld. Admiral had accepted Miss H’s request for a different engineer to attend. But due to illness the job was reallocated back to the original engineer, with the request being overlooked. This was done so that a visit was made as soon as possible.

Miss H paid the manufacturer £294 over 6 months, which included cover for the boiler during these six months. If Admiral’s engineer had carried out the same work as the manufacturer,

she would have to have paid it the £265.60 excess over the policy limit. So it was reasonable for Admiral to refund the difference of £28.40.

In addition Admiral had offered £20 for call costs. £50 for additional heating costs, and a further £50 compensation. All in all, the investigator thought this was reasonable in the circumstances.

Miss H responded to say, in summary, that

- she had made over 30 phone calls to Admiral trying to sort the matter out, and had been put on hold for long periods;
- she thought she should have been contacted before the engineer was allocated back to her job and offered another option;
- the engineer didn't check the boiler at all before deciding £1,400 of work was needed; and
- she was able to decide what she was offered wasn't right and take alternative action, but it might have been different if she had been an elderly person.

findings

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

I agree that Admiral didn't handle Miss H's claim well. Admiral should have contacted her before reallocating the engineer to her complaint. And whatever his experience, the engineer's diagnosis was poor.

However it's not our role to fine or punish a business, or to tell it to change the way it operates to protect future customers. That is the function of the Financial Conduct Authority as its regulator. Our role is to ensure a customer is compensated for what actually happened to them.

Miss H was able to arrange for the manufacturer to repair her boiler. The immediate cost to her was £294.00 spread over six months, which included maintenance for these six months. Admiral has repaid her the excess this cost her - £28.40 – over what she would have paid Admiral to do the same work. It has also paid her a further £120 towards phone calls, extra heating costs, and compensation.

Miss H also had to take out a further twelve month maintenance contract for her boiler at a cost of £28 a month. However this will give her the services of the manufacturer's engineers, if required, for a further twelve months, and I don't think it would be reasonable to require Admiral also to pay for this.

All in all, I think the compensation Admiral offered Miss H is fair and reasonable in the circumstances, and I don't require it to do anything more.

my final decision

My decision is that I don't uphold this complaint, and make no order against Admiral Insurance (Gibraltar) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 13 July 2018.

Lennox Towers
ombudsman