

complaint

Mr and Mrs A's complaint is about the way in which U K Insurance Limited (UKI) handled a claim on their home emergency insurance policy.

All references to UKI include its claims handlers.

background

Mrs A was discharged from hospital following treatment for a chronic condition. When she and Mr A returned home they discovered their boiler wasn't working.

Mr A called a couple of local engineers but wasn't able to source anyone to attend. He then made a claim on his home emergency insurance policy. UKI sent an engineer to review the problem. The engineer said that the rubber hose had broken and needed to be replaced. Mr and Mrs A say the engineer told them the electrics on the boiler seemed to be fine.

It took a number of days for the rubber hose to be sourced by UKI. When the engineer re-attended to install the hose, the boiler still didn't work. The engineer said that water must've gotten into the electrics so further parts would be needed.

Several days later Mr and Mrs A received a call from UKI. It said the parts needed to repair the boiler were beyond the value of the repairs allowed for under the policy and that the boiler was beyond economic repair. The policy terms say that where the boiler is beyond economic repair UKI will pay out £250. UKI did this and sent Mr and Mrs A a cheque for this amount.

Mr and Mrs A were unhappy. They said the engineer told them the electrics were working fine when he initially attended and that the delay in replacing the hose must've caused the additional damage. They have since had a new boiler installed and want UKI to pay for this. They are also unhappy about the delays, given they were without hot water and heating during the days following Mrs A's release from hospital. UKI accepted that it took too long for the repairs to take place. It initially offered Mr and Mrs A £150 to compensate them for this. Mr and Mrs A didn't think this went far enough.

Our adjudicator assessed Mr and Mrs A's complaint and concluded it should be upheld. He said that £250 was adequate compensation for the delays caused by UKI. UKI agreed to pay this. Mr and Mrs A don't agree so the matter has been passed to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree that Mr and Mrs A's complaint should be upheld, but that the compensation they have been offered is adequate in the circumstances. I'll explain why.

Mr and Mrs A's policy only covers repairs to their boiler up to the limit of £500. If further work is required over and above this amount then UKI aren't obliged to pay this. I can see that the costs in replacing the hose were within the £500 bracket but the further repairs that were needed meant the total would go beyond this sum. Because the cost of the repairs exceeded 85% of the manufacturer's current retail price or the average current retail price available through leading UK suppliers, UKI deemed the boiler to be beyond economical repair. It also provided Mr and Mrs A with a payment of £250 in accordance with the policy terms.

I appreciate that Mr and Mrs A feel the delay in replacing the hose caused the subsequent damage to result but I haven't seen any expert evidence to confirm this. They also say that the engineer said the electrics were working fine when he initially inspected the boiler. Whilst that may well have been the case, I don't think I can say that the delay in replacing the hose was such that it caused further damage without the benefit of expert evidence. Mr and Mrs A haven't provided me with any. UKI has said that if they had, then it would've been prepared to consider the position. In the absence of that evidence I can't say that UKI has acted unfairly by refusing to fund the cost of a new boiler.

Mr and Mrs A are also unhappy that the hose wasn't replaced with one of copper construction. They say they were advised by someone else that this should've been done. I don't think UKI had to do this. They only had to replace the hose with one of like for like construction. The original hose was rubber, so UKI arranged for a hose of the same construction to be refitted. And I haven't seen anything to suggest that there were exceptional reasons why a copper replacement should've been fitted, such as safety concerns.

Finally, I agree with Mr and Mrs A that UKI took too long to fix the hose and then decide the boiler was beyond economic repair. Throughout this time Mr and Mrs A were without hot water and heating. UKI should've taken this into account, especially because it was aware that Mrs A had recently been discharged from hospital. I think that £250 is reasonable compensation for this. When reaching this decision, I have also taken into account that Mr and Mrs A were without heating and hot water before they contacted UKI because they had been trying to source independent contractors to repair their boiler themselves.

my final decision

I uphold Mr and Mrs A's complaint and direct U K Insurance Limited to pay Mr and Mrs A £250 in compensation for the trouble and upset they caused them in dealing with their claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs A to accept or reject my decision before 7 April 2016.

Lâle Hussein-Doru
ombudsman