

complaint

Ms J complains about Amtrust International Underwriters Ltd's delays in resolving a claim for a broken boiler under her home emergency insurance policy.

background

Ms J held a home insurance policy, underwritten by Amtrust.

In November 2009, Ms J contacted Amtrust to register a claim under her policy because her boiler had broken down. An engineer attended the following day and diagnosed that a part was required.

Amtrust ordered the incorrect part on a number of occasions, as a result of which Ms J was left without heating and hot water throughout November 2009, December 2009 and January 2010.

In February 2010, Amtrust diagnosed that most of the parts in Ms J's boiler required replacement.

Unhappy with the delays she was experiencing, Ms J complained to Amtrust, saying she had been without heating and hot water for a number of months and that mould was growing in her property because of the lack of heating.

Amtrust wrote to Ms J apologising for the 'catalogue of errors' which had taken place, and said it would replace Ms J's entire boiler unit. According to Amtrust's records, Ms J's boiler was replaced on 24 March 2010. Amtrust also offered to pay Ms J £650 compensation for the distress and inconvenience she suffered.

As Ms J remained dissatisfied, she brought her complaint to the attention of this service for consideration.

Our adjudicator considered Amtrust's offer to be fair and reasonable in the circumstances. Ms J's 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.

The terms and conditions of Ms J's policy state that Amtrust will carry out repairs if an insured emergency event, such as the failure of the heating or hot water system, occurs. However, the level of cover provided is subject to the following policy limit:

"The maximum We will pay under this Policy is 3 successful Claims in any rolling 12 month period to a maximum overall total limit of £1,000 including VAT".

Ms J said she first reported the problem with her boiler to Amtrust in early October 2009. However, according to Amtrust's notes, Ms J's claim was initially registered in November 2009.

Nonetheless, it is clear there were significant, unexplained delays by Amtrust following the first recorded attendance on 16 November 2009. The incorrect part was ordered on at least one occasion and a number of engineers' appointments took place in December 2009, during which no work was carried out.

On 8 February 2010, Amtrust identified that most of the parts in Ms J's boiler required replacement and I see no reason why this diagnosis could not have been made sooner.

Amtrust has acknowledged its' errors, delays and communication failures when dealing with Ms J's claim and, in recognition of this, Amtrust replaced Ms J's boiler on 24 March 2010. The cost to Amtrust in replacing Ms J's boiler exceeded the policy limit of £1000 and Amtrust has not sought to reclaim the excess from Ms J, which it would have been entitled to do.

In addition, Amtrust has offered to pay Ms J £650 compensation for the distress and inconvenience she suffered as a result of its delays.

Ms J says she was without heating and hot water for a total of seven months. However, according to Amtrust's records, Ms J's claim ran for approximately four months – from November 2009 until March 2010. A period of four months without heating and hot water is a significant length of time and I have no doubt Ms J will have experienced considerable inconvenience as a result of this delay.

However, it would not be fair and reasonable to recommend that Amtrust should pay Ms J an award of the level which she is seeking, £100,000. The amount of any compensation which this service awards for distress and inconvenience is generally modest and is usually under £300. It is not within our remit to seek to punish businesses through our recommendations and an award of £100,000 is not within the range of what this service would consider appropriate in complaints of this nature.

Furthermore, although I understand Ms J says the lack of heating could have been fatal - and I appreciate Ms J was understandably distressed by her experience an award of the level she requests would be inappropriate.

Overall, having taken into account Amtrust's decision to replace Ms J's boiler - which was in excess of Amtrust's obligations under Ms J's policy - and its proposal to pay £650 compensation, I consider Amtrust's offer is fair in the circumstances. I say this having had regard to both our published guidance on the payment of compensation for distress and inconvenience, as well as awards previously made by this service.

Turning to the issue of the damage which Ms J says was caused to her property; I have reviewed the photographs provided by Ms J, showing large areas of mould growth. However, I must also have regard to Amtrust's comments that there may have been underlying factors present in Ms J's home which contributed to the mould growth, as well the lack of the information as to whether Ms J made any attempts to mitigate her loss by cleaning or removing the mould when it first began to appear.

In light of the above, and in the absence of a report from an independent expert confirming that the mould growth was solely attributable to Amtrust's delays, I am unable to conclude with certainty that Amtrust is responsible for the damage to Ms J's property.

I understand Ms J said she spent over £2000 in energy bills as a result of using heaters, during the time her boiler was not working. However, without documentary evidence

confirming Ms J's financial loss, I am of the view that Amtrust's actions in replacing Ms J's boiler as well as its global offer of £650 constitute appropriate compensation in the circumstances.

As a final point, I note Ms J says she experienced problems with her fridge and lighting due to the moisture levels in her property. However, there is insufficient evidence upon which I could determine that these issues arose as a direct result of Amtrust's delays in restoring Ms J's heating and hot water.

my final decision

My final decision is that I do not uphold this complaint.

I make no award against Amtrust, other than to endorse the offer it has already made, to pay Ms J £650 compensation for the distress and inconvenience suffered.

Christopher Tilson
ombudsman