

## **complaint**

Mrs H complains about the service she received from the Society of Lloyd's under her home emergency insurance policy.

## **background**

Mrs H reported a problem with her central heating.

An engineer attended on behalf of Lloyds and told Mrs H her boiler needed parts which weren't available because they were obsolete. As a result, Mrs H bought a new boiler.

Mrs H later learned the parts weren't obsolete and they were in fact available. So, she complained to Lloyds that it should pay for her new boiler. And it should pay her compensation for leaving her and her family without heating and hot water for several weeks in December and January.

Being unhappy with Lloyds' response to her complaint, Mrs H complained to this service.

Our adjudicator thought Mrs H's complaint should be upheld.

Lloyds disagreed with the adjudicator's conclusions, so the matter has been referred to me to make a final decision.

## **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 decided to uphold Mrs H's complaint and I'll explain why.

Mrs H says she reported the fault with her boiler on 21 December. And she was without heating from then until 15 January, when her new boiler was installed. She says Lloyds left her without hot water and heating for far too long. And then it refused to help her at all, claiming the parts needed were obsolete.

Mrs H also says if she can establish in 10 minutes that parts can be obtained, that's what Lloyds should've done. And she says if she hadn't been wrongly advised by Lloyds, she wouldn't have bought a new boiler which cost her £1,380.

Lloyds says the information it received from the engineer was that parts were no longer available for Mrs H's boiler, so it wouldn't be able to repair it. Lloyds says it reacted based on the information available at the time.

Lloyds also says, whilst it appreciates Mrs H has faced this expense, she now has the use of a new boiler going forward. It says because her boiler was over 10 years old, Mrs H wouldn't be entitled under her policy to any contribution towards the cost of a replacement boiler. But it says it's already paid her half of the cost of the new boiler, plus interest.

Mrs H didn't choose to buy a new boiler. I think she was left no alternative when Lloyds told her it couldn't get parts for her existing boiler. Because parts were in fact available, Mrs H's boiler should've been repaired under her policy. So, I think Lloyds' actions caused Mrs H to spend £1380 on a new boiler unnecessarily. And I think it's reasonable in the circumstances

for me to ask Lloyds to reimburse her the full cost of the replacement boiler. And to pay her interest from the date she paid for the boiler until the date Lloyds reimburses her for it.

I see Mrs H and her family were left without heating and hot water for 24 days at the coldest time of year and when families often enjoy spending time at home together. Much of this delay would've been avoided if Lloyds hadn't wrongly concluded parts weren't available for Mrs H's boiler. From the information I've seen, it's clear this situation caused a great deal of trouble and upset for Mrs H and her family. And I think it's reasonable for me to ask Lloyds to pay her £400 compensation.

### **my final decision**

I uphold Mrs H's complaint against the Society of Lloyd's. It must pay Mrs H the full cost of her replacement boiler. And it must pay her interest at a gross annual rate of 8% simple from the date she paid for the boiler until the date Lloyds reimburses her for it\*.

Lloyds must also pay Mrs H £400 for the trouble and upset she experienced as a result of its poor handling of her claim.

\*If Lloyds considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mrs H how much it's taken off. It should also give Mrs H a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 3 November 2016.

Robert Collinson  
**ombudsman**