

complaint

Mr C has complained that his boiler was damaged by engineers who were sent to carry out repairs under his Home Emergency Cover policy. He says the additional damage caused led to the boiler being declared beyond economic repair ("BER"). Mr C's Home Emergency Cover policy was underwritten by Acromas Insurance Company Limited, so in this decision I will refer to the business that he's complaining about as "Acromas". Mr C is represented in his complaint by his mother, Miss D, who also resides at the property. Mr C is also unhappy about the customer service he received, including not having calls returned when promised and being left without hot water or heating for days.

background

The background to this complaint is set out in detail, in the attached provisional decision I issued on 16 April 2020. I asked both parties to let me have their final comments by 16 May 2020. As Mr C and Acromas have now responded, I've decided it's appropriate to proceed to issue my final decision on this complaint.

Miss D, who is representing Mr C, has responded to say:

- they are extremely disappointed and saddened by the provisional decision;
- they feel that I've simply ruled in favour of the AA and they don't feel that I've been impartial and fair; and
- they've restated elements of their original evidence and arguments.

Acromas have responded to say they have no further comments to make and they accept the findings in the provisional decision. They've also said that due to the Covid-19 restrictions, they are currently unable to issue cheques, so if Mr C decides to accept this decision, he will need to provide them with his bank account details so they can make payment to him.

my findings

I've re-considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've also thought about the comments provided by Miss D.

I'm sorry that Miss D and Mr C are disappointed by the conclusions I've reached. Unfortunately, it's often the case that one of the parties to a complaint will be disappointed with the outcome. However, I provided detailed reasons for the provisional conclusions I arrived at, to help Mr C understand why I've made that provisional decision.

As neither party have provided me with any new evidence or arguments to consider, I see no reason to depart from the conclusions set out in my provisional decision.

So, for the reasons given in this decision and my provisional decision attached, my decision is that Acromas' offer of £640.00 in compensation to Mr C, to settle the complaint, together with paying the BER contribution of £250.00 towards the cost of the boiler, and 8% simple interest on that £250.00, is fair in all the circumstances of this complaint.

my final decision

Acromas Insurance Company Limited has already made an offer to pay a total of £890.00 to settle the complaint and, other than to require simple interest of 8% on the £250.00 (payable from the date of Mr C's claim to the date this award is paid to Mr C) to be added to the total amount due to Mr C, I think this offer is fair in all the circumstances. So, my decision is that Acromas Insurance Company Limited should pay £890.00 to Mr C, together with 8% simple interest on the £250.00 BER contribution. I make no other award against Acromas Insurance Company Limited. Acromas Insurance Company Limited may deduct the £100.00 already paid to Mr C from the payment of this award that it makes to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 June 2020.

Carolyn Harwood
ombudsman

COPY PROVISIONAL DECISION

complaint

Mr C has complained that the engineers who were sent to repair his boiler caused additional damage, resulting in the boiler being declared beyond economic repair ("BER"). Mr C's Home Emergency Cover policy was underwritten by Acromas Insurance Company Limited, so in this decision I will refer to the business that he's complaining about as "Acromas". Mr C is represented in his complaint by his mother, Miss D, who also resides at the property

Mr C's also unhappy about the customer service he received, including not having calls returned when promised and being left without hot water or heating for days.

background

On 7 September 2018 Mr C contacted a company, who I'll call A, to report problems he was having with his hot water and heating. In particular, the boiler was showing an error message of "F28", which indicated a problem with the boiler properly igniting. An engineer attended the property on the same day and replaced a valve and a printed circuit board ("PCB") on the boiler. However, he had to leave the property to go to another job, without finishing the job, so, a second engineer attended the property later in the day. The second engineer recorded on his job sheet that the valve fitted by the first engineer had blown off, and another PCB would need to be fitted. He also recorded that parts totalling £1,080.80 would be required to repair the existing boiler. The boiler was 18 years old, and valued at £200, so, on the basis that the repairs would cost more than the value of the boiler, the second engineer declared the boiler to be BER under the terms of the policy.

Mr C then made a claim for a new boiler, but his claim was declined on the basis that his policy only provided up to £250 towards the cost of a new boiler. Mr C said that the second engineer had told him he'd be entitled to a new boiler and that's what led him to agree with the conclusion that the boiler was BER. Miss D said she believes that if the engineer hadn't assumed that the policy would cover a new boiler, he would have tried harder to repair the boiler, instead of declaring it BER.

Miss D, on behalf of Mr C, complained about the damage they believed the engineers caused to the boiler and claimed compensation totalling £10,385.00 made up as follows:

- £1275.00 for loss of heating and hot water for the household, for 17 days;
- £2940.00 for the costs incurred in unnecessarily having to replace the boiler;
- £5000.00 for the emotional distress of dealing with A, making numerous phone calls and coping without hot water and heating;
- £170.00 call out fee for another engineer to give another view on the boiler; and
- £1000.00 for time taken to call A, and another business who I will call H, to deal with the complaint

Acromas offered Mr C a compensation payment totalling £890.00 made up as follows:

- £250.00 for the payment due under the policy for the boiler on the basis it was BER;
- £85.00 for a goodwill gesture of 50% of the refund of the call out charge;
- £225.00 compensation for the days where heating and hot water wasn't available to Mr C;
- £250.00 compensation for the emotional distress caused to Mr C by the service he received from A (which included the original £100 offered in the final response letter dated 5 October 2018); and
- £50.00 compensation for the phone calls he had to make and the time he had to spend in relation to his claim.

As Mr C remained unhappy, Miss D brought his complaint to our service.

Our investigator looked into the complaint and concluded that it shouldn't be upheld. She said Acromas wasn't required to cover the replacement cost of the boiler because the policy terms limited

cover towards the cost of a new boiler to £250.00. Our investigator also said she hadn't been provided with any evidence of negligence on the part of the engineer that first replaced the valve on the boiler. And she concluded that the compensation payment Acromas had offered was fair and reasonable.

Mr C didn't accept our investigator's view. Miss D said he'd be prepared to accept the offer of £890.00 as compensation but was still claiming £2940.00 for the new boiler he had to purchase, (which he maintains wouldn't have been needed if the engineers had correctly repaired the boiler), and £170.00 for the call out charge for the engineer who came to fix the boiler, giving a total of £4000.00 compensation. Miss D says that she believes the £4000.00 reflects the emotional and financial inconvenience they've been forced to endure due to the "*lacklustre and unprofessional service they'd received*".

As Mr C wasn't happy with our investigator's view, the complaint has been passed to me for a decision.

my provisional findings

I've considered all the available evidence and arguments to provisionally decide what's fair and reasonable in the circumstances of this complaint. I'd also like to reassure Miss D that I've listened to all of the available call recordings for the calls she had with the A and H. In addition, I'd like to explain that where A, who sold the policy and are named in the branding of the policy, has acted on behalf of Acromas, the insurance underwriter, I've referred to the business as Acromas.

There are three key issues that I will address in this provisional decision. First, was the decision to deem the boiler BER reasonable, or was it likely to have been caused by negligent actions on the part of the engineers? Second, although Mr C's home emergency cover would only provide £250 towards the cost of a replacement boiler, was it reasonable for him to rely on the assurance of the engineer that the boiler would be replaced under the policy terms and conditions? And third, was the service provided to Mr C of such a poor standard that compensation should be paid by Acromas?

Was it reasonable to declare the boiler beyond economic repair?

The evidence on the case file about what happened when the engineers attended the property is contained in the two job sheets and a BER report provided by A; and Miss D's and Mr C's testimony about the engineers' conversations and what they recall actually happened on the day.

Miss D recalls that while the first engineer was replacing parts on the boiler, she heard a bang followed by the engineer saying the board had blown. Miss D believes that the engineer caused further damage to the boiler because he wasn't appropriately qualified to repair a boiler of this type. She says he phoned a colleague to ask what he should do and agreed that the PCB should be replaced. He then left the property and a second engineer arrived to complete the job. He reported that the valve flew off the boiler, so the repair carried out by the first engineer hadn't been successful. He then decided, having calculated that the cost of repairing the 18-year-old boiler would significantly exceed the value of the boiler, that it should be declared BER.

Miss D has also told us that she sought advice and was told this fault is quite a common fault, easily repairable and if both engineers had known about replacing the part with new leads there wouldn't have been this problem. Miss D has provided a copy of an invoice for £170 from an engineer who came to the property to inspect the boiler. She says he told her the boiler could be repaired.

Given the brevity of information included in the engineer's job sheets, I asked A to provide some further detail about what went on during the engineer's visits. They've explained that there were three visits to the property on 7 September. The first visit identified a defective PCB. The second visit was made to the property at 11.51am, and on replacing the PCB, they say the fault on the boiler immediately caused damage to the PCB preventing further operation. At that point the engineer identified that the gas valve was also defective, so that component was ordered along with another

PCB. A third visit was completed at 17.05pm where the new gas valve and second PCB were installed. That PCB was immediately affected by the fault again, preventing further operation of the boiler. A reports that the engineer then realised that the wiring harness between the PCB and the gas valve was required, as well as a third PCB. They've also explained that there's no evidence that other parts, such as the ignition electrodes and leads were checked by the engineers, but it appears from the notes that the fault was immediately causing damage to the PCB which was rendering the boiler un-operational.

Having carefully considered the available evidence, I'm not satisfied there's enough evidence to conclude it's likely the engineers were negligent in the actions they took to repair the boiler. It seems to me that replacing the PCB board is a reasonable action to take, to try and repair a fault with the ignition (indicated by an F28 error message). And it isn't unusual that a repair may take place in a number of stages as the engineer problem-solves the fault step by step. So, I don't think that replacing different parts at different points in time was an indication the engineers had acted unreasonably.

I've also considered Miss D's evidence. However, in the absence of a more detailed report from an engineer setting out what tests they'd carried out and the reasons for their conclusion that the boiler was able to be fixed, together with the estimated cost of the repair, I don't find that evidence to be particularly helpful or persuasive. On the whole, I'm currently of the view that there's insufficient evidence to support Miss D's claim that the engineers acted negligently in the steps they took to repair the boiler.

So, I've next thought about whether it was reasonable for the engineer to declare the boiler BER. I understand Mr C's frustration that he was given wrong information about being entitled to a replacement boiler under his policy terms (which I'll consider next). But this doesn't impact on the factual question of whether or not it was economic to repair the boiler. The 18-year-old boiler was valued at £200, and the repairs were estimated to cost in the region of £1,000. Where the value of the boiler, and the cost of repair are closer in proximity to each other, I think there might be a reason to argue about whether or not the boiler should be declared BER. But in this case, as the repair costs were significantly in excess of the value of the boiler, (which, although Miss D says was in good working order, was 18 years old) I don't think the decision to declare the boiler to be BER was unreasonable.

Was it reasonable for Mr C to rely on the engineer's assurances that he'd be entitled to a replacement boiler under the policy terms and conditions?

I've next gone on to consider whether it was reasonable for Mr C to rely on the engineer's assurance that he'd be entitled to a replacement boiler.

I've looked at the policy terms and conditions which are included in a *Welcome Pack* for the packaged bank account Mr C took out with his Bank, who I'll call L. The *Welcome Pack* is 38 pages long and contains information about a number of benefits provided with the packaged bank account. In common with many policies like this, Mr C's terms and conditions limit the benefit payable in the event that a boiler is deemed to be beyond economic repair.

The Home Emergency Cover is listed on page 4 of the *Welcome Pack*. Under the heading: "*Things to be aware of*" it says if the boiler is beyond economic repair, "*cover for your primary heating system will cease until your boiler is replaced. We will contribute a maximum of £250 towards the cost of you replacing it with a new boiler*". This is repeated on page 22 of the *Welcome Pack* under: "*D) Primary Heating System What is covered*".

So, I think it was clear in the terms and conditions that only £250 would be payable towards a replacement boiler. I also think it's reasonable to expect that Mr C would review the first four pages of the terms, which included this information.

I agree that in providing this assurance, the engineer provided poor customer service to Mr C, but it doesn't automatically follow that it would be fair to ask Acromas to pay for a new boiler for Mr C because of its engineer's mistake. So, on balance, I don't think it's reasonable to require Acromas to meet the full cost of a replacement boiler, to make up for that poor service.

Should Mr C be compensated for A's customer service failings?

Miss D says that they relied on the engineer's assurances and have suffered financial loss as a result. I agree that A didn't provide Mr C with good customer service in this respect, and some compensation is required to put this right. In addition to providing incorrect information to Mr C, the first engineer had to leave the property without repairing the boiler, to go to another job, which Miss D also complains about. She says they were without hot water and heating for 17 days, and also mentioned having to spend a lot of time pursuing this complaint. In thinking about the amount of compensation that's due to Mr C, I think it may be helpful if I explain that as Miss D isn't insured under the policy, I can't look at whether she is entitled to compensation for any inconvenience she's been caused.

In addition to paying the £250.00 BER contribution towards the boiler, Acromas have offered £640.00 in compensation to Mr C, to settle the complaint and I'm provisionally of the view that this offer is fair in all the circumstances. Acromas has broken its offer down into payments for being without heating and hot water, emotional distress and phone bills. However, we generally consider compensation as a global payment for the overall distress and inconvenience suffered and that's what I've done here. Having thought about all the circumstances of this complaint, I think £640.00 is a reasonable amount to compensate Mr C for the overall customer service failings, and for being without hot water and heating for 17 days.

With regard to the offer of compensation, Acromas have confirmed that £100 has already been paid to Mr C, following the issuing of the final response letter in October 2018. So, the balance which would currently remain to be paid to Mr C is £790.00, together with 8% simple interest on the £250.00 BER contribution from the date of Mr C's claim to the date this award is paid to Mr C.

my provisional decision

Acromas Insurance Company Limited has already made an offer to pay £890.00 to settle the complaint and, other than to require interest on the £250.00 payment to be added to the total amount due to Mr C, I think this offer is fair in all the circumstances. So, my provisional decision is that Acromas Insurance Company Limited should pay £890.00 to Mr C, together with 8% simple interest on the £250.00 BER contribution. I make no other award against Acromas Insurance Company Limited.

I now invite Mr C and Acromas Insurance Company Limited to let me have any final comments they'd like me to consider before I issue my final decision.

Carolyn Harwood
ombudsman