

complaint

Mr and Mrs M have complained that Inter Partner Assistance SA (IPA) mistakenly told them they weren't covered after they tried to claim under their home emergency insurance policy.

background

Mr and Mrs M reported a fault with their boiler. IPA sent an engineer to check this. He said there was sludge on the heat exchanger which had to be removed. IPA told Mr and Mrs M they weren't covered for the heat exchanger and it would cost around £300 to fix it. Also it might be necessary to have their system power flushed which they'd again have to pay for themselves.

Mr and Mrs M said they decided to get a new boiler rather than pay those expenses. They said there was no guarantee, even with a new heat exchanger, that their boiler wouldn't break down again later on.

A few weeks later IPA told Mr and Mrs M that they were covered. It said it should've firstly tried to clean the heat exchanger and if that failed, replaced it and taken a water sample to see if a power flush was needed. By that point Mr and Mrs M had paid a deposit for a new boiler. IPA offered them £250 for its poor service.

Mr and Mrs M complained to us and said IPA didn't take into account that they were without hot water for three weeks. They had to use a kettle to boil water.

Our adjudicator felt that the complaint should be upheld. She said IPA should pay the deposit Mr and Mrs M paid for the boiler and £600 compensation for the trouble and upset it caused them. IPA agreed to pay the deposit but it said the compensation was too high. It offered to pay £400 instead.

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 think this complaint should be upheld.

IPA said it made a mistake when it told Mr and Mrs M they weren't covered for the heat exchanger. But it didn't tell them the boiler needed to be replaced so it initially made no offers towards the cost of their new boiler. Mr and Mrs M said they thought it would be better in the long term to get a new boiler. By the time IPA told Mr and Mrs M it had made a mistake they'd paid around £1350 towards a new boiler. IPA has agreed to refund them this amount. I think this is reasonable.

Mr and Mrs M said they had no hot water for three weeks. They said it initially took IPA five days before it sent an engineer to their property. After IPA told them it would cost £300 for the heat exchanger plus the cost of the power flush they decided to get a new boiler instead. By the time IPA told them it had made a mistake they had already paid a deposit for their new boiler. They said they had to boil kettles and saucepans to get hot water during that period.

Our adjudicator said IPA should pay them £600 for the trouble and upset it caused them. IPA said this was too high but it would pay £400. There was an initial five day delay by IPA. And

Mr and Mrs M are quite elderly and had no hot water for three weeks. Bearing in mind IPA didn't tell them they needed a new boiler, I don't think it was responsible for all the delays and for the whole three week period they were without water. So I think the £400 IPA offered is reasonable in the circumstances.

my final decision

For the reasons above I'm upholding Mr and Mrs M's complaint against Inter Partner Assistance SA. Inter Partner Assistance SA must pay the following if it hasn't already:

- £1350 for the deposit for the new boiler, plus interest at the simple rate of 8% per year from the date the deposit was paid to the date it makes payment*.
- £400 for the distress and inconvenience it caused Mr and Mrs M. If it's already paid the £250 it offered previously then it must only pay the remaining £150.

Inter Partner Assistance SA must pay the total compensation within 28 days of the date on which Mr and Mrs M accept my final decision. If it pays later than this it must also pay interest on the compensation under the second bullet point from the date of my final decision until the date of payment at 8% per year simple*.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 1 October 2016.

Anastasia Serdari
ombudsman

* If Inter Partner Assistance SA considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr and Mrs M how much it's taken off. It should also give Mr and Mrs M a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.