

complaint

Mr N complains that Acromas Insurance Company Limited mishandled his claim on a home emergency policy.

background

Mr N had a policy underwritten by Acromas. He reported a problem with his boiler. He complained after the insurer or its agents left it in pieces and said it was beyond economic repair ("BER"). Acromas made two payments of £250 each. But Mr N had to pay for a replacement boiler.

The adjudicator recommended that the complaint should be upheld. He concluded that Acromas left Mr N in a position where it was not possible for him to gain independent advice. The adjudicator said that Acromas' engineers did not diagnose a fault with the regulator. He recommended that Acromas should pay Mr N:

1. (in addition to the £500 already paid) a further £2,571;
2. simple interest at 8% from the date of the invoice for the installation of the boiler.

Acromas disagrees with the adjudicator's opinion. It offers Mr N either:

1. £333.61 for his previous boiler and £250 for distress and inconvenience – a total of £583.61 or
2. the typical cost of repair of the gas regulator and what he would have paid to have had the boiler reassembled by a third party.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I consider that – during nearly ten visits - Acromas had opportunities to give Mr N a diagnosis of the problem with his boiler. But it deprived itself and him of those opportunities when one of its engineers stripped the boiler and left it disassembled and Acromas said it was BER.

This was in the month of February. So I accept that Mr N acted reasonably in getting a replacement installed as soon as possible – at a cost of £3,071.

The installer said:

"I apologise for not being able to complete the installation of your boiler on Friday 7th. This was because of an existing fault with gas supply pressure. We encountered a problem with the meter regulator which was supplying gas at the correct pressure 22mb but when your boiler fired up dropped to 1 mb then came up to 20mb (if you look at the video we took), which caused our new boiler to lock out intermediately. We called out [the gas supplier] whose engineer deemed the regulator faulty and duly replaced it. The new boiler was then commissioned without problem and ran a pressure of 21mb without fluctuating pressure."

From this, I find it likely that the installation of the replacement was well-advanced before Mr N discovered the problem with the regulator. So I do not consider it reasonable for Acromas to say that he should have called it back again to re-assess the situation.

Acromas made BER payments of £500.

I bear in mind the number of visits Acromas had made – without diagnosing the problem with the gas regulator. On balance, I am not satisfied that Acromas correctly diagnosed Mr N's boiler – or that it was BER. Overall, I conclude that it is fair and reasonable to order Acromas to reimburse Mr N the balance of £2,571 plus interest at out usual rate.

I do not doubt that Acromas caused Mr N some unnecessary upset and put him to some trouble by the way it dealt with his claim and subsequent complaint. In particular, it left him and his family without heating for about three weeks. But – as he will have received a new boiler for an old one – I do not conclude that it would be fair and reasonable to order Acromas also to pay him compensation for distress and inconvenience.

my final decision

For the reasons I have explained, my final decision is that I uphold this complaint. I order Acromas Insurance Company Limited to pay Mr N:

1. £2,571;
2. simple interest on that sum at an annual rate of 8% from 4 March 2014 to the date it pays him. If it considers it has to deduct tax from the interest element of my award, it shall send Mr N a tax deduction certificate when it pays him. He can then use that certificate to try to reclaim the tax, if he is entitled to do so.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr N to accept or reject my decision before 23 February 2015.

Christopher Gilbert
ombudsman