

## **complaint**

Mr S complains that Admiral Insurance (Gibraltar) Limited (“Admiral”) is responsible for mishandling his home emergency insurance.

## **background**

The Financial Ombudsman Service deals with consumer complaints against insurance companies and other regulated financial firms. Where a complaint is about a claim under an insurance policy, we treat it as a complaint against the insurance company that was responsible for dealing with the claim.

In our final decision we name that insurance company but we don't name any other party. Where I refer to Admiral I include its authorised contractors and others insofar as I hold Admiral responsible for their actions.

With effect from 14 February 2018 Mr S renewed his boiler emergency cover and home emergency cover. Admiral was the insurance company responsible for dealing with claims.

Mr S's family included his wife and two young children. When he had a problem with his central heating boiler in November 2018, Mr S called Admiral for help. Its authorised contractor sent an engineer who said the boiler was in working order.

After another visit on 8 January 2019, Mr S received the authorised contractor's invoice dated 3 December 2018 for £133.51 for a call-out charge.

He complained and Admiral sent a final response dated 24 January 2019.

On about 31 January 2019 the boiler broke down. Mr S bought three oil-filled radiators for £105.00 to heat the home. He paid a private plumber £300.00 to fix his boiler.

Mr S brought his complaint to us in February 2019.

### *our investigator's opinion*

Our investigator recommended that the complaint should be upheld in part. He didn't recommend that Admiral should reimburse Mr S for the private plumber because he was unable to provide a report to confirm what works were actually completed.

The investigator didn't recommend that Admiral should reimburse Mr S for the full cost of the radiators. But he thought that Admiral should pay him £50.00 for the purchase as it was within the policy terms and was also mentioned during the call in November 2018.

The investigator recommended that Admiral should waive the call-out fee, as there was a clear leak which occurred again within 24 hours.

The investigator recommended that Admiral should:

1. pay Mr S a total of £50.00; and
2. waive the call-out charge.

*my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr S and to Admiral on 22 April 2020. I summarise my findings:

I hadn't been persuaded that the invoice for £133.51 was in line with the policy terms.

£100.00 is fair and reasonable compensation for distress and inconvenience.

Subject to any further information from Mr S or from Admiral, my provisional decision was that I was minded to uphold this complaint in part. I intended to direct Admiral Insurance (Gibraltar) Limited to:

1. not ask Mr S for payment of £133.51 or any other sum in relation to the visit in November 2018; and
2. tell its authorised contractor not to do so; and
3. pay Mr S £100.00 for distress and inconvenience.

Neither Mr S nor Admiral has responded to the provisional decision. So I see no reason to change my view.

**my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr S had both "boiler emergency cover" and "home emergency cover". Each included the following terms:

*"What is covered*

*Complete failure or breakdown of your primary heating/hot water system, resulting in no hot water and/or heating. We will also cover you for:*

- i. A loss of water pressure within a boiler due to a fault;*
- ii. A water leak from the boiler/heating system...*

*Temporary heating*

*If you have no heating and a part needs to be ordered following the engineer's first visit, or if we are unable to repair the boiler/heating system, you have the option to purchase heaters up to a combined value of £50 including VAT on a reimbursement basis. These heaters are yours to keep."*

I've added the underlining to show that – in addition to cover for a complete boiler breakdown - there was cover for a water leak.

The boiler emergency cover and the home emergency cover each excluded the following:

*"Boilers which are still working, but you suspect may be about to break down (e.g. where a noise has developed) or where the fault is not apparent to our authorised contractor"*

As there was cover for a water leak in addition to a complete boiler breakdown, I don't think the above term excluded water leaks to boilers that were still working. And I find it implicit that the authorised contractor must spend time on an inspection before ruling out a fault as not apparent.

The boiler emergency cover and the home emergency cover each had a limit of two claims up to £500.00 each. There was a term about a financial contribution from the policyholder if a repair was to cost more than £500.00.

But I haven't seen any term about a financial contribution from the policyholder if there was a call-out for a fault which was not apparent to the authorised contractor.

Admiral says there was a call-out in June 2018. But I haven't seen any report of such a visit.

When he contacted Admiral in November 2018, Mr S said his boiler had a water leak. I accept that this was correct. He also mentioned high pressure. And he told Admiral that he had switched the boiler off.

From the call recording, I find that Admiral said the following:

*"I need to make you aware, should the contractor return and discover there is no policy cover, due to any policy exclusions, or if any information provided in this call is incorrect, you will be charged a call-out charge and for any repairs you instruct them to carry out. Should no one be home when the contractor attends you will be charged for the call-out fee."*

I'm not persuaded that this statement was based on any of the policy terms.

Admiral's engineer switched the boiler back on. His report was as follows:

*"Boiler working on arrival. No leaks visible. Boiler not worked on, visual inspection only"*.

Later Mr S sent us photographs of a boiler in a room with no plaster on the brick walls and no covering to the concrete floor. It looks like a shed rather than a habitable room. The photographs show a significant escape of water. I can't say that the escape of water created a risk to health or a risk of damage to the home or made it uninhabitable.

I find that the photographs confirm that there was a leak before and after the visit. So I consider that Admiral should've done more to investigate and repair that leak. But, from what Mr S has said, the boiler was working from 25 November 2018. After that visit in November 2018 there's no evidence that anything happened with the boiler until January 2019.

I've seen a job report dated 8 January 2019. It includes the following:

*"Boiler operating correctly and no leaks visible when left property however can not guarantee permanent fix as boiler requires full service."*

But again I find that the photographs confirm that there was a leak before and after the visit. So I consider that Admiral should've done more to investigate and repair that leak. I don't

doubt that Admiral's failure to do so caused Mr S some inconvenience and some distress about what was going wrong with his boiler during some very cold weather.

The final response letter dated 24 January 2019 contained a section about fraud, misrepresentation and non-disclosure – without alleging any. I find that inappropriate. I don't doubt that it caused Mr S some upset.

Overall I consider that £100.00 is fair and reasonable compensation for distress and inconvenience.

I accept that the boiler broke down on about 31 January 2019. And I've seen evidence that Mr S paid the private plumber for a repair on 1 February 2019. But there's no evidence that he contacted Admiral about the breakdown on about 31 January 2019.

The only evidence about what was wrong with the boiler is a mention (in a text) of a gas valve. There's no evidence that this was connected to the earlier leak of water. So Mr S is right not to be pursuing his claim for reimbursement of the £300.00.

Mr S says he bought the radiator heaters on 31 January 2019. I've seen a receipt including the cost of £105.00. But he hadn't contacted Admiral and he can't have needed the heaters for more than a day or so. Therefore – unlike the investigator – I don't find it fair and reasonable to direct Admiral to reimburse him anything for the heaters he bought.

I haven't been persuaded that the invoice for £133.51 was in line with the policy terms. So I find it fair and reasonable to direct Admiral not to ask Mr S for payment of that invoice – and to tell its authorised contractor not to do so.

### **my final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Admiral Insurance (Gibraltar) Limited to:

1. not ask Mr S for payment of £133.51 or any other sum in relation to the visit in November 2018; and
2. tell its authorised contractor not to do so; and
3. pay Mr S £100.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 July 2020.

Christopher Gilbert  
**ombudsman**