

complaint

Mr V is unhappy about how AWP P&C SA settled his claim for a broken boiler made on his emergency cover policy.

background

Mr V's boiler broke and he called AWP. An engineer came out and three repairs were made with three replacement parts, one after each other. When it became apparent a fourth repair was necessary AWP said this wasn't covered. It said it wouldn't pay for anymore repairs.

Mr V spoke to the engineer who initially agreed a cost for the fourth replacement and then said AWP wouldn't be prepared to do this. The engineer had said it would re-connect the boiler once Mr V got it repaired but then said this wasn't possible either. AWP said the boiler was now classed as being beyond economic repair so it wouldn't pay for anything else.

AWP did admit that it had caused some delays. It said it would pay £200 to make up for this but only if Mr V accepted it. Mr V wasn't happy and complained to this service.

Our adjudicator didn't think that AWP had done anything wrong in refusing the fourth repair or in stating the boiler was now beyond economic repair. She thought refusing to reconnect, when an agreement to do this had been made, was unfortunate but given the policy coverage this wasn't something she could fairly make AWP pay for. She thought it had caused delays which had resulted in some inconvenience for Mr V but she felt £200 compensation was fair and reasonable for that. Mr V asked for an ombudsman's 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.

Unfortunately insurance policies don't usually offer cover for anything and everything that may happen. In this case Mr V's policy has a limit for each claim. It's also unfortunate that, with items like boilers, there is often more than one thing that goes wrong and that the full extent of repairs only becomes evident when the most obvious causes of concern are fixed.

I don't think AWP did anything wrong in the way it approached this boiler repair and I don't think it could reasonably have been expected to foresee the full extent of necessary repairs from the outset. Even if it had, I'm not sure that reaching the policy limit would have been avoided.

The limit had already been reached and surpassed by the point of the fourth repair. So I don't think it was unreasonable of AWP to refuse to carry that out.

The contractor's change of mind about undertaking the repair is unfortunate, but not something I can blame AWP for. The miscommunication around the re-connection is also unfortunate but as the policy limit has been passed I can't fairly expect AWP to pay for this work. However, if Mr V had an extra cost because of having to *call his engineer back to the property* to do the reconnection (not the cost of the reconnection itself) then I think AWP should pay for this. And I told it so. Mr V just needs to send it proof of a call-out charge in relation to the reconnection work and it will have to reimburse this, plus interest.

AWP's notes suggest it told Mr V, when he asked about re-connection, that the boiler was now considered to be beyond economic repair. It may be that Mr V didn't realise quite what it meant by this, but I haven't seen anything that makes me think AWP explained things poorly or failed him in anyway. And I'm mindful that the policy does explain this term clearly and that repairs to boilers that meet this definition aren't covered.

I can see that there were some missed and late appointments during the repair period. AWP has said its offer of £200 was subject to Mr V accepting it. I think this is a fair and reasonable amount to make up for what Mr V went through as a result of AWP's failings. As I'm upholding the complaint in part due to the re-connection issue, I'll make an award for this compensation too.

my final decision

I uphold this complaint in part. I require AWP P&C SA to:

- Pay any call out charge Mr V had, and can show proof of, to get his boiler reconnected, plus interest*. Interest is at 8% simple per year and from the date Mr V paid the charge until settlement is made. If Mr V accepts my decision this settlement must be made within 28 days of the date on which Mr V provides proof to it.
- Pay Mr V £200 compensation. This to be paid within 28 days of the date on which we tell it Mr V accepts my decision (if he does). If it pays later than that the interest* must be added at a rate of 8% simple per annum, from the date of my final decision until settlement is made.

* If AWP P&C SA considers that it's required by HM Revenue & Customs to take off income tax from any interest due to Mr V, it should tell him how much it's taken off. It should also give Mr V a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 27 April 2017.

Fiona Robinson
ombudsman