

summary

Mr D complains about Allianz's refusal to reimburse him £330, which he paid to a private engineer to resolve a fault with his boiler.

background

Mr D holds a Lloyds TSB home assistance policy, which is underwritten by Allianz.

On 18 April 2011, Mr D registered a claim with Allianz because he had no heating. An engineer attended on the same day and resolved the fault.

Mr D contacted Allianz again the next day to say that his heating was now coming on when the hot water was turned on. An engineer attended later the same day and diagnosed a problem with the diverter valve, caused by sludge. Allianz recommended that Mr D should have a powerflush carried out; a procedure which it said was not covered under his policy.

Unhappy with this diagnosis, Mr D complained to Allianz. Another appointment was arranged for 20 April 2011 but this was postponed to the following day after there was an issue as to whether he would have the parts to repair the boiler. The engineer identified a problem with the motor in the boiler. The engineer left in order to obtain a part before returning, with the intention of carrying out a repair. However, Mr D was concerned that the cost of the work would exceed his policy limit and contacted Allianz to enquire whether it would cover the full cost of the repairs.

Allianz said that the total cost of completing the repair would be £378.95. Allianz confirmed that it would deduct the policy limit of £170 from this, as well as a further £50 as a gesture of goodwill, leaving Mr D with a balance to pay of £158.95.

Mr D was unhappy with this and requested that Allianz instead pay him £220 (the £170 policy limit plus £50 compensation) so that he could arrange for a private engineer to carry out the repairs. However, Allianz refused to do this.

On 23 April 2011, Mr D paid a private engineer £330 to carry out a repair.

Mr D complained to Allianz, who paid him £50 as a gesture of goodwill. Allianz also subsequently offered to reimburse him the £170 policy limit, upon receipt of a copy of his private engineer's invoice.

As Mr D remained dissatisfied he brought his complaint to the attention of this service for consideration.

Our adjudicator did not recommend that Mr D's complaint should be upheld, as he did not consider that Allianz was obliged to pay any more than the policy limit.

Mr D was unhappy with our adjudicator's findings. He considers that he and his family were without heating and hot water for six days due to Allianz's failure to effectively repair his boiler. He also says that he had to make numerous telephone calls to various people to get the matter resolved.

The complaint has therefore been referred to me for a final determination.

my findings

Firstly, I would like to apologise for the time it has taken for this complaint to reach me. We are dealing with an unprecedented caseload and are trying to find ways to progress cases more quickly. I am sorry that this has meant a long wait.

The terms and conditions of Mr D's policy state that Allianz will:

"Pay up to £170 (including VAT) for each emergency claim incident, towards labour costs (including call out charges, materials and parts required to effect emergency repairs in your home)".

Therefore, Allianz's responsibility under the policy is to pay a maximum of £170 towards the cost of carrying out an emergency repair. If the total cost of the necessary repairs amounts to more than £170, the policyholder is responsible for paying the balance.

Mr D preferred to use his own contractor and Allianz has agreed to reimburse him to the value of what it would have paid, if it had dealt with the claim. This seems reasonable to me.

Whilst I understand that Allianz's offer to pay Mr D £170 does not fully reimburse Mr D for the money paid to his private engineer, Allianz's offer represents the maximum benefit payable under the policy.

Mr D has submitted that, as Allianz did not carry out an effective repair to his boiler and made an incorrect diagnosis, it should reimburse him for the full cost of the private repair.

However, Allianz's obligation to carry out a repair is subject to the terms and conditions of the policy – including the £170 policy limit. The invoice which Mr D has now provided from his private engineer states *"powerflushing is also recommended"* and therefore appears to support the diagnosis made by Allianz's engineer on 19 April 2011. I do note however that Mr D's engineer did not replace the boiler motor, the fault diagnosed by Allianz's engineer on 21 April 2011.

Having said that, even if Allianz made an incorrect diagnosis, it does not automatically follow that the policy limit of £170 should be disregarded. Allianz has offered to pay Mr D the maximum amount payable under his policy and has not deducted any charges, from the policy limit, for the three attendances its contractors made. I am not persuaded that there is any reason to require it to pay more than this.

I appreciate Mr D is unhappy that Allianz may have paid its engineers a call-out charge for attendances during which they carried out no work. It appears that it has not made any payments. However, even if it had, as Allianz has not deducted any call-out charges from the policy limit of £170, Mr D has not been prejudiced or suffered any loss as a result.

Mr D has queried a comment made by the adjudicator about Allianz's offer to cover the call out charge. I understand that this relates to Allianz's offer to have its engineers carry out the repairs on 21 April 2011, upon payment of £158.95 by Mr D. Allianz was prepared to offset the full policy limit of £170 without any deductions for the cost of the engineer's attendance (as well as £50 compensation) from the total cost of £378.95.

Mr D has also suggested that the engineer who attended on 21 April 2011 could have completed the work within the policy limit but I am not aware of any convincing evidence of this. And Mr D was charged £330 for the same work.

Turning to the issue of compensation for distress and inconvenience, Allianz has paid Mr D £50 as a gesture of goodwill. I understand that Mr D was without a fully operational boiler from 18 April 2011 until 23 April 2011, although it seems that hot water and heating were available at least for part of this period.

However, any claim such as this will inevitably cause some inconvenience. Compensation is only awarded if it is established that the insurer has caused additional distress or inconvenience due to some error, beyond that which would inevitably flow from the insured event.

Allianz attended and repaired a fault which apparently left the boiler working on the day he reported the claim. The following day Mr D reported a further fault. However, there is no convincing evidence that this further fault, with the diverter valve, should have been identified on the first visit. Mr D suggests that it would have been identified if the engineer had stayed long enough to check the system was working properly. However, without expert evidence to support this, I am unable to conclude that this should have been identified during that visit and should have been repaired on 18 April 2011.

Allianz was prepared to carry out the further repairs on 21 April 2011. It seems to me therefore that Allianz cannot reasonably be held responsible for any delays incurred after that date, as a result of Mr D's decision to appoint his own engineer.

Although I have no doubt that Mr D and his family will have been inconvenienced as a result of his boiler not operating as it should, I am not satisfied that this is entirely attributable to errors on the part of Allianz. Having taken into account all the circumstances of the case, it seems to me that the sum of £50 already paid is appropriate.

my decision

My final decision is that I do not uphold this complaint.

I make no award against Allianz, other than to endorse its offer to pay Mr D £170. This is in addition to the £50 compensation already paid.

Harriet McCarthy
Ombudsman