

complaint

Mrs N has complained about the way Inter Partner Assistance SA (IPA) dealt with a claim she made on her home emergency policy and about the service it provided to her.

All references to IPA include its agents.

background

I issued a provisional decision on this complaint earlier this month. An extract from that decision follows:

“Mrs N’s heating system was leaking so she made a claim on her home emergency policy. She also had no heating or hot water. IPA’s engineer attended Mrs N’s home and said there were three parts that had to be replaced: the immersion heater in the unvented cylinder, a two port valve and a pump. Mrs N said IPA approved the repairs on the basis that she paid for the immersion heater herself.

Around a month later, the heating and the hot water stopped again. There were also two leaks; one coming from the pipes and another coming from the water cylinder- the same place as the last leak. IPA’s engineer inspected the leak and said a new pressure relief valve was needed. But because this was part of the unvented cylinder, it wasn’t covered. IPA said it could cover the cost of stopping the leak which would involve emptying the cylinder.

Mrs N said that evening the boiler pressure rose to a really high level and the boiler was making unusual noises. She turned the boiler off because she was worried it might explode.

Mrs N said when she called IPA to report this, the handler she spoke to was rude to her. She also said she kept calling IPA and was being told someone would call her back but no one did until two days later. When she did get a call back, IPA denied ever replacing the immersion heater. And it said the leak was coming from the unvented cylinder which isn’t covered. So it refused to send someone to check out the leak.

Mrs N said she tried to explain to IPA that the boiler was also not working and that this was a separate issue which should be covered under the policy. But IPA still wouldn’t send someone to check the boiler.

Mrs N then got her own engineer to prepare a report. The engineer said that the boiler wasn’t working properly and it was also leaking. He also said the boiler pressure was erratic when he switched the boiler on. He said there was also a leak coming from the cylinder and that the pump IPA’s engineer installed during his first visit was the wrong type. He said there was damage to the cylinder which was caused by excessive force being used to remove the immersion heater.

He said it would cost around £2700 plus VAT to replace the boiler and £840 plus VAT to repair it. Mrs N said the engineer warned her that the boiler had suffered a lot of wear- as a result of it not being repaired- which meant its life span was reduced. So he said it might not be worth repairing it. The engineer also said the cylinder and the pump would cost around £2800 plus VAT to replace.

Mrs N complained to IPA who initially rejected the complaint. IPA then accepted its engineer used the wrong pump but said this wouldn't have caused any problems with the boiler. It said the work done to the immersion heater was done on a private basis so it couldn't consider it as part of the complaint. It also said the problems with the boiler pressure were nothing to do with the repairs done previously. It offered Mrs N £100 for the cost of a new pump and £50 for the cost of the calls she made to IPA during the claim.

Mrs N wasn't happy so she complained to us. Our adjudicator thought the complaint should be upheld. She said IPA should pay for the pump and the cost of Mrs N's engineer's report plus interest. She also said IPA should pay £200 compensation to Mrs N for the trouble and upset it caused her. And that IPA should cover the cost of the damage to Mrs N's boiler and repair the damage its engineer caused to the cylinder.

IPA initially agreed with the adjudicator's view but it later withdrew its offer to fix the damage to the cylinder which would involve replacing the cylinder. It said the damage was caused when the engineer was doing work on a private basis so IPA isn't responsible for it.

The complaint has now been passed to me for a decision.

my provisional findings

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

The policy includes the following terms:

- *it includes cover for the breakdown of the boiler; breakdown is defined as a "sudden and unforeseen mechanical or electrical malfunction which results in the unit or system no longer working";*
- *there is also cover for draining down and isolating leaking water cylinders;*
- *it doesn't cover immersion heaters or unvented hot water cylinders;*
- *a boiler is deemed beyond economical repair if the cost of the parts needed to repair it is more than 85% of the manufacturer's retail price.*

the immersion heater

IPA has accepted that it should've been made clearer to Mrs N that the repairs to the immersion heater were done privately because the policy doesn't cover unvented cylinders. Mrs N said she was asked to pay for this separately though the cost of all the labour was covered by IPA.

IPA paid for the labour charges for emptying the cylinder because its policy covers costs of isolating leaks. And it has said that emptying the cylinder was a way of isolating the leak. So I think it was acting within the terms of its policy on that occasion.

Mrs N has sent photographs which show damage done to the cylinder. Her engineer said the damage was caused by excessive force being used in removing the immersion element. IPA has confirmed the immersion heater was replaced by its engineer. Bearing this in mind I think the cylinder was damaged because IPA's engineer's actions.

IPA said the engineer was doing this privately so it shouldn't be responsible for the damage he caused. I don't agree. The engineer was there because he was IPA's agent. And it wasn't until after he attended Mrs N's home that it became apparent that part of the work wasn't covered by the policy. IPA accepts this should've been made clearer to Mrs N at the time. Though Mrs N paid for one of the parts, IPA paid for the other parts and for all the labour. In the circumstances, I think IPA is responsible for the damage caused to the cylinder by its engineer.

Mrs N's engineer said the damage to the immersion element makes it beyond repair. He recommended that the entire cylinder is replaced. IPA hasn't provided any engineering evidence that says anything to the contrary, so on balance; I think the entire cylinder has to be replaced. And because I think IPA is responsible for the damage to the cylinder I think it must pay Mrs N the cost of replacing the cylinder.

the pump

IPA has agreed it used the wrong type of pump. It has offered Mrs N £100 for a new pump but it didn't say how it calculated this. I think it's reasonable that IPA covers the costs of replacing the pump, including the installation costs.

Mrs N's engineer has provided an estimate for the cost of replacing the pump which he included together with the cost of replacing the cylinder. IPA hasn't provided its own estimate. Because I think IPA must pay for the cylinder and the pump to be replaced I think it should pay the £2880 plus VAT quoted by Mrs N's engineer.

the boiler

Mrs N said she tried many times to explain to IPA that the boiler wasn't working and that this was separate to the issue with the cylinder. She said IPA still refused to send someone to look at the boiler.

IPA said the damage to the boiler wasn't caused by any of the repairs its engineers had done previously. But this doesn't mean the damage to the boiler isn't covered by the policy. Mrs N's engineer said the boiler is leaking, it has a defective expansion vessel and it's generally defective. Mrs N's policy provides cover for boiler breakdowns. And IPA hasn't provided any evidence to show why the damage to Mrs N's boiler shouldn't be covered. In the circumstances, I think the damage to the boiler is covered under the policy.

Mrs N's engineer said the cost of replacing the boiler is around £2700 plus VAT and the cost of repairing it around £840 plus VAT. So the boiler doesn't seem to be beyond economical repair because the cost of repairing it is less than 85% of the cost of a new boiler. So I think IPA should cover the cost of repairing the boiler.

extra costs

Mrs N had to pay for an engineer to inspect the cylinder and the boiler and to prepare a report because IPA refused to send someone to her property again. I think it's reasonable that IPA pays for the cost of that report.

Mrs N also said she was left without heating for around two weeks because IPA was refusing to inspect the boiler. She said she had to buy heaters, blankets and extra warm nightwear for her children because the weather was really cold. I think had IPA inspected the boiler and repaired it when Mrs N reported the fault, Mrs N wouldn't have had to incur those expenses. So I think it's fair that IPA compensates her for those costs subject to her providing evidence in support such as receipts and/or bank statements.

IPA said Mrs N hadn't mentioned these expenses when she first complained. But these are all listed in her letter which she sent to IPA in February 2016.

distress and inconvenience

Mrs N said she had to call IPA a number of times. And IPA wouldn't call her back. IPA said Mrs N did receive call backs but it has offered her £50 towards the cost of her calls. I think this is reasonable but it only covers the cost of the calls and not the inconvenience she suffered.

Mrs N also said she was worried the boiler might explode because it was making a lot of noise and this was after IPA's engineer had attended and switched it back on. She's also unhappy IPA initially denied doing any work to the immersion heater. IPA has since accepted the work was done by its engineer but I understand Mrs N was very frustrated by its initial denial.

Mrs N said it was unreasonable for IPA not to send someone to inspect the boiler. This meant she and her family were without heating and hot water for two weeks. I think IPA acted unreasonably in the circumstances and had it inspected the boiler I think it would've carried out the necessary repairs shortly after the claim was made. Mrs N said she has three young children under the age of five who had to live in a cold house for two weeks. I appreciate she was very concerned about their health.

In the circumstances I think IPA handled this complaint poorly and it caused Mrs N unnecessary trouble and upset. I think it should compensate her for this and I think £500 is a reasonable amount in this case.

my provisional decision

For the reasons above, I'm planning on upholding Mrs N's complaint against Inter Partner Assistance SA and will be directing it to pay the following:

- *£500 for the trouble and upset it caused Mrs N;*
- *£2880 plus VAT for the cost of replacing the cylinder and the pump; If Mrs N has already replaced the pump IPA must also pay interest at the simple rate of 8% per year from the date Mrs N paid for the new pump to the date it makes payment*;*
- *£840 plus VAT for the cost of repairing the boiler;*
- *The cost of the engineer's report plus interest at the simple rate of 8% per year from the date Mrs N paid for it to the date it makes payment*;*
- *The cost of the blankets, heaters and nightwear Mrs N had to buy subject to her providing evidence in support; IPA must also pay interest at the simple rate of 8% per year from the date Mrs N incurred each expense to the date it makes payment*;*
- *£50 towards the cost of Mrs N's calls if it hasn't already made this payment."*

developments and 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've decided not to change any of my findings.

IPA acknowledged receipt of my provisional decision but didn't make any comment. Mrs N hasn't responded to my provisional decision. But as the award I made was in line with what she had asked for in her complaint to us I think I can now proceed with my final decision.

my final decision

For the reasons above, I'm upholding Mrs N's complaint against Inter Partner Assistance SA and I'm directing it to pay the following:

- £500 for the distress and inconvenience it caused Mrs N;
- £2880 plus VAT for the cost of replacing the cylinder and the pump; If Mrs N has already replaced the pump IPA must also pay interest at the simple rate of 8% per year from the date Mrs N paid for the new pump to the date it makes payment*;
- £840 plus VAT for the cost of repairing the boiler;
- The cost of the engineer's report plus interest at the simple rate of 8% per year from the date Mrs N paid for it to the date it makes payment*;
- The cost of the blankets, heaters and nightwear Mrs N had to buy subject to her providing evidence in support; IPA must also pay interest at the simple rate of 8% per year from the date Mrs N incurred each expense to the date it makes payment*;
- £50 towards the cost of Mrs N's calls if it hasn't already made this payment.

Inter Partner Assistance SA must pay the above within 28 days of the date which we tell it Mrs N accepts my final decision. If it pays later than this it must also pay interest on the compensation under the first, third and sixth 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 Mrs N to accept or reject my decision before 29 December 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 Mrs N how much it's taken off. It should also give Mrs N a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.