

## complaint

Mr C complains that documents supplied to him by Dynamo Cover Limited (“Dynamo”) when it sold him a home emergency insurance policy were misleading. He thought he would receive a payment of £500 when his central heating boiler was found to be beyond economic repair, rather than the £150 he was actually paid.

## background

On 22 January 2018, Mr C bought a home emergency policy online through Dynamo after finding details of the policy on a price comparison website. On 7 February 2018, Mr C phoned Dynamo and reported he had no heating or hot water. On 8 February 2018 an engineer arrived and said the boiler was beyond economic repair. So Mr C would have to arrange a replacement boiler himself.

Mr C did so and produced the receipt to Dynamo, expecting he would receive a £500 contribution towards his replacement boiler, because the online homepage for his policy contained the words “*Replacement boiler £500 contribution*”. However Dynamo said the wording on his policy made it clear that this was the maximum payment for a boiler which was under 5 years old. For a boiler over 10 years old like his boiler the contribution was only £150.

Mr C complained that this wasn’t clear to him from the policy documents he had been sent. He also complained that he hadn’t been told by Dynamo when he phoned it that the policy entitled him to an allowance of £200 for him and his family in respect of overnight accommodation.

Dynamo didn’t accept his complaint. It said that Mr C’s policy was known as “Option 4”. This was the policy wording he was able to view online, and which was sent to him by email, on the day he bought the policy. By mistake, three days later he was sent policy wording for a different policy known as “Option 3” which didn’t include or refer to a boiler contribution.

He had been paid the correct amount in line with the wording in the Option 4 policy. Dynamo said the overnight accommodation allowance was also set out in the Option 4 policy.

Dynamo said when buying the policy online Mr C had ticked box to say he had read and understood the terms and conditions of the policy he was buying, which was Option 4. The Option 4 policy terms which Mr C was sent made it clear that for Mr C’s age of boiler the contribution would be only £150. Dynamo said the Option 3 policy had a different claims phone number which Mr C had never used.

The Demands and Needs statement it sent Mr C also asked Mr C the following questions:

- “*How old is your boiler?*” Mr C answered that it was more than 15 years old.
- “*Would you like up to £500 boiler contribution cover?*” Mr C had answered “Yes” to this.

Our investigator recommended that this complaint should be upheld. Mr C thought he would be entitled to a contribution of £500 when his boiler failed. He said he couldn’t find anything about this in the document he looked at after his boiler failed. He was also unaware that he

was entitled to an allowance for overnight accommodation as there was nothing about that in this document either.

Dynamo acknowledged the wrong documentation was sent to Mr C shortly after the policy was set up. Although Mr C had access to the correct documentation, he didn't seem to have been clear about the level of cover he had. This meant his expectation was raised as to the contribution he would receive.

The investigator thought it was also likely that he was unaware of the overnight accommodation benefit he was entitled to. So he and his family remained in their home without heating and hot water for three days.

He thought that fair compensation for the distress and inconvenience Dynamo had caused Mr C was that it pay him £250. Mr C accepted the investigator's recommendation. However Dynamo responded to say, in summary, that:

- during the purchase process, Mr C ticked the statement that he had read and agreed to the documentation for the policy he was buying, which was Option 4, and this was provided during purchase;
- Mr C was later sent Option 3 wording by mistake. However this didn't affect his cover – it didn't contain any mention of boiler contribution;
- Mr C couldn't have known of the boiler contribution and not the accommodation benefit, as Option 4 mentions both, but Option 3 mentions neither; and
- there was nothing in any documents Mr C had seen that would suggest he was entitled to a benefit of £500 for a boiler aged over 10 years.

### **my findings**

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

Like the investigator, I think it's likely that the documentation Mr C saw caused confusion, and led him to think he would receive a contribution of £500 towards the replacement of his boiler. I say this because:

- he received two conflicting policy documents. The later document he received was the incorrect Option 3 document. Mr C seems to have been confused by having the two documents;
- the online homepage for his policy contained the words "*Replacement boiler £500 contribution*" without any qualification;
- in the Demands and Needs statement Dynamo sent him it recorded that his boiler was over 15 years old, but still offered him a contribution of up to £500 although Dynamo knew £500 wasn't available for that age of boiler;
- neither of the last two documents, which mentioned the boiler contribution, made any mention of the accommodation allowance; and
- contrary to what Dynamo has told us, both the Option 3 and Option 4 policy documents I have seen contain the same helpline phone number – 01384 884040.

I conclude that it's fair and reasonable that Dynamo pay Mr C compensation of £250 for the confusion and upset it has caused him.

**my final decision**

My decision is that I uphold this complaint, and order Dynamo Cover Limited to pay Mr C compensation of £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 September 2018.

Lennox Towers  
**ombudsman**