

complaint

Mrs M complains about the service she received from UK Insurance Limited (UKI) after its engineer damaged a cable whilst fixing her boiler under her home emergency policy.

background

When Mrs M's boiler stopped working in May 2017, she contacted UKI with whom she had a home emergency policy. The boiler needed a new pump. But the engineer doing that job didn't notice that he'd trapped the pump cable between the pump and the printed circuit board and badly damaged the cable. UKI has accepted that this presented a dangerous situation because of a risk of electric shock.

Different engineers then attended on 18 July 2017 to identify why the boiler wasn't working and they found that this was because of the damaged cable. They deemed the boiler to be beyond economic repair (BER) and disconnected it because it was unsafe. This left Mrs M without any heating or hot water.

Mrs M's complaint is that the work carried out by UKI wasn't of the required standard. She says that if the first engineer hadn't damaged the cable, her boiler would still have been working and she wouldn't have had to buy a new one so soon. A new boiler cost her £2,200. In the meantime, her family had been put at risk of fire and/or electric shock. She also complained about the overall service provided by UKI which she says involved misadvice, confusion and unclear communication when she tried to get clarification from UKI as to what would happen next. It took approximately 60 days to resolve the matter during which time she says her family was without hot water.

UKI has accepted that there had been confusion about the initial reasons why the second engineers had deemed Mrs M's boiler to be BER. It says that although it was initially assumed to be as a result of the first engineer's error, that wasn't actually the case, but Mrs M wasn't told this. It explained that the reason why her boiler was declared to be BER was because of scale and corrosion visible inside, and debris that was causing it to "kettle". The cost of repair was likely to be more than the value of the boiler. It also acknowledged that after the first engineer's visit there had been a potential risk of fire and electric shock.

It initially offered her £75 compensation for her distress and inconvenience caused by the delay in the second engineer's attendance. It also offered her £250 towards a new boiler if she chose to replace her old boiler. This was provided for in Mrs M's policy and so was offered to every policyholder.

It told Mrs M that she had the option either of getting her boiler repaired by her chosen engineers, or of having it replaced. If she chose to get it repaired, she was told there could be no guarantee that it wouldn't fail again because of the scale and corrosion. Whether it was repaired or replaced was a decision for her, but she was advised that if she chose to have it repaired against UKI's recommendation, it might decline any assistance if future boiler issues arose if they were associated with scale and corrosion. UKI accepts that it didn't clarify for Mrs M the next steps and processes as much as it should've done. It offered to pay her a further £75 as well as the £250 contribution to a new boiler.

Mrs M wasn't satisfied with UKI's response to her complaint or the level of compensation that it had offered her, so she brought her complaint to this service.

Our investigator's view was that UKI should pay Mrs M a further £750 towards the cost of a new boiler in addition to the £250 already offered, and also pay £150 for distress and inconvenience.

UKI doesn't agree with this view and has asked that the matter be referred to an ombudsman. The matter's therefore been passed to me to make a 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. I'm going to uphold Mrs M's complaint and I'll explain why.

When Mrs M's boiler broke down in May 2017, it was because it needed a new pump. A new pump was fitted. There's no evidence that at that time that repair wasn't considered worthwhile because of the boiler's age and condition or of the presence of scale and corrosion. So I think it's fair to say that if it hadn't been for the fact that the first engineer caused damage to the cable, Mrs M's boiler might have continued to give good service, and Mrs M wouldn't have had to replace her boiler, for some time.

In these circumstances I think it's reasonable to require UKI to pay a further £750 to Mrs M towards the cost of a new boiler as recommended by our investigator as well as the £250 that all policyholder are entitled to under their policy if they replace their boiler.

The damage to the cable caused the condition of Mrs M's boiler to be brought into question, and she was given a confusing option – either to have her boiler repaired but then possibly find that UKI wouldn't repair it if it went wrong again, or to pay for a new one. That was a decision that Mrs M wouldn't have had to make if the first engineer hadn't caused damage.

I agree that UKI didn't communicate clearly and adequately with Mrs M as to her options and the way forward, and that while she was trying to get a clear understanding of what the options and process were, her family, having for a while been at risk of electric shock and possibly fire, was then without hot water for around 60 days.

I think UKI should pay Mrs M £150 for the distress and inconvenience caused to her family by having firstly to live with a dangerous boiler before it was disconnected for safety, and for being without hot water for a very considerable time.

my final decision

My decision is that I require U K Insurance Limited to pay Mrs M a total of £1,000 toward her new boiler.

I also require U K Insurance Limited to pay interest on this sum at the simple rate of 8% a year from the date Mrs M made her claim to the date payment is made to her.

If U K Insurance Limited considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mrs M how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

I also require U K Insurance Limited to pay Mrs M £150 compensation for distress and inconvenience (less any sum already paid to her for this).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 7 July 2018.

Nigel Bremner
ombudsman