

complaint

Mrs H complains that Inter Partner Assistance S.A. is responsible for poor service under her home emergency insurance policy.

background

Mrs H had a policy branded with the name of an insurance intermediary. IPA was the insurer responsible for dealing with claims. Where I refer to IPA or the insurer, I include its appointed engineers and any others for whose actions I hold IPA responsible.

Mrs H called the insurer for help with her central heating and hot water system in 2015, 2016 and 2017. In November 2017 it was cold and Mrs H had health issues. The insurer's engineer said her boiler needed further flushing. Mrs H complained that the insurer was responsible for a poor quality flush in 2015.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. She didn't think that the insurer had communicated clearly that – for the power flush in 2015 to be worthwhile and in order for her to be covered under the policy - Mrs H would need to have other components changed. So Mrs H wasted approximately £500.00 for a useless power flush, the investigator said. She recommended that the insurer should:

1. refund Mrs H the cost of the power flush;
2. pay Mrs H £500.00 for distress and inconvenience.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mrs H and to IPA on 4 September 2018. I summarise my findings:

I didn't find that the insurer treated Mrs H unfairly by declining her claim.

I didn't hold the insurer responsible for what it would've cost to mend the boiler or what it did cost to replace it.

I didn't hold the insurer responsible for the absence of heating and hot water.

But the insurer took about a week to tell Mrs H it was declining her claim. And it didn't acknowledge her complaint until about 18 December. Together I think these delays made Mrs H feel her insurer was ignoring her needs.

Subject to any further information from Mrs H or from IPA, my provisional decision was that I was minded to uphold this complaint in part. I intended to direct Inter Partner Assistance S.A. to pay Mrs H £150.00 for distress and inconvenience.

Mrs H disagrees with the provisional decision. She says, in summary that:

She paid £470.00 for a power flush that was not completed correctly.

She holds the insurer responsible for not properly repairing the boiler so it was always going wrong.

She did whatever was requested of her, except when she disagreed with the responsibility for cost.

IPA hasn't responded to the provisional 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.

Mrs H's "Gold" policy covered repairs up to a financial limit of £1,500.00. But, like most such policies, Mrs H's didn't cover the cost of flushing or repairs arising from sludge or scale.

From the insurer's records I think that in about May 2015 its engineers replaced a diverter valve and a plate heat exchanger for Mrs H's hot water.

Mrs H says she paid that engineer about £500.00 for a flush at around that time. She has recently provided a copy of a partly-legible invoice for £360.00 and another illegible copy which she says was for £470.00.

But – whatever it cost her - the flush wasn't covered by the policy. So I don't hold the insurer responsible for the quality of the flush. I say that notwithstanding that the insurer had previously done business with the company that did the flush.

The insurer has said that – after the flush - Mrs H should've replaced parts of her system.

But from its records, I think that in about March 2016 the insurer fitted another replacement heat exchanger. And I think that in December 2016 – after at first declining her claim because its engineer said the system needed another flush – the insurer reimbursed Mrs H for the fitting of a new diverter valve.

So the insurer's actions in about March 2016 and December 2016 aren't in line with its argument that – in addition to the flush – Mrs H should've had parts of her system replaced. I think she'd had important parts replaced twice.

But I don't agree with the investigator that the insurer failed to communicate about replacing parts – or that this rendered flushing a waste of time.

On about 9 November 2017 Mrs H called for help again. The insurer again sent an engineer. The engineer's report included the following:

"We have advised there is a blockage within the DHW h/e and that the boiler is in poor condition....

... When a powerflush is carried out, the water does not pass through the heat exchanger. The muck & debris that has congregated inside, has built up to the point where the boiler overheats... The engineer also carried out a flow rate test whilst on site - boiler produces about 41 degrees of hot water at 10 litres a minute, but when rate reduced to 6/7 litres a minute temperature increases to 61 degrees. This clearly indicates a blockage..."

From that report I find that there was a blockage of sludge or scale causing damage in the domestic hot water heat exchanger.

I don't think the insurer communicated with Mrs H as well as it should've done at this stage. Over a week later she rang the intermediary. I accept that she was concerned when the intermediary told her she wasn't covered because there was "muck" in her central heating system. Mrs H rang again on 20 November and made a complaint.

Mrs H didn't have working central heating and hot water for over a month in a period of cold weather. I accept her statement that she was suffering from a chest infection.

Mrs H contacted a well-known provider of gas boilers. She says it fitted a new boiler on about 11 December. Mrs H has recently provided documents that show a deposit payment of £1,000.00 plus a further amount of about £2,150.00 by instalments over about five years.

Mrs H has forwarded to us an email from the company that fitted the new boiler. It included the following:

"I can confirm that upon a thorough investigation of the system, we were obliged to refund the cost of a full power-flush as it was deemed unnecessary, due to the lack of Magnetite in the system. The manufacturers require that a cleanse is always done as part of any boiler installation, which we have carried out along with balancing your heating system and a renewal of the inhibitor."

From that email I find that the fitter of the new boiler had done a flush but refunded the cost because it had been unnecessary. I've thought about the extent to which that email is evidence of an absence of sludge or scale in the system a few weeks earlier when the insurer declined Mrs H's claim.

But the fitter must've removed the old boiler before installing the new boiler. The system then comprised the new boiler and the old plumbing. The fitter wasn't focussed on the old boiler. The email doesn't say the old boiler's plate heat exchanger wasn't blocked with sludge.

I prefer the evidence of the insurer's engineer who in November 2017 diagnosed a blocked heat exchanger. I say that because he had done a flow rate test on the old boiler.

The policy didn't cover a power flush. So I don't hold the insurer responsible for the presence of sludge or scale after May 2015. The policy didn't cover repairs caused by sludge or scale. And I've found that sludge or scale caused the blockage and damage to the plate heat exchanger before November 2017.

Therefore I don't find that the insurer treated Mrs H unfairly by declining her claim. I don't hold the insurer responsible for what it would've cost to mend the boiler or what it did cost to replace it. I don't hold the insurer responsible for the absence of heating and hot water.

But the insurer took about a week to tell Mrs H it was declining her claim. And it didn't acknowledge her complaint until about 18 December. Together I think these delays made Mrs H feel her insurer was ignoring her needs.

So I find it fair and reasonable to order compensation for the distress and inconvenience these delays caused Mrs H. In its final response letter, IPA offered Mrs H £100.00. But I don't think that was enough. I think £150.00 is fair and in line with other similar cases.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Inter Partner Assistance S.A. to pay Mrs H £150.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 13 December 2018.

Christopher Gilbert
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