

## **complaint**

Mr L complains that Society of Lloyd's provided him with poor service repairing his boiler under his home emergency policy.

## **background**

On 22 December Mr L contacted Lloyd's to repair his boiler as he had no hot water. By 2 January his boiler hadn't been repaired. Lloyd's then told him that the replacement part would cost £235 and his policy limit for parts was £150. Mr L paid the £85 balance as asked.

Lloyd's engineer went to Mr L's property on 9 January to fit the replacement part. But on inspection the engineer told Mr L that if he started the repair the boiler would probably stop working altogether. This would leave Mr L without heating as well as hot water. So the repair wasn't carried out. Mr L complained.

Lloyd's engineer returned to Mr L's property on 28 January to install a replacement boiler that Mr L had bought. But the installation couldn't go ahead as that boiler didn't have all the parts. This left Mr L without heating and hot water for 5 days.

On 2 February the boiler was installed by Lloyd's engineer. Instalment costs were about £1,200 which it covered. After the installation Mr L says the timer on the boiler didn't work and the fuse on the main circuit board was defective. There were issues with the pressure in the system so Mr L installed a pressure gauge and a magnetic filter.

The boiler then stopped working. Lloyd's said it wouldn't carry out further repairs as it thought the problem was with the work Mr L had done. Mr L hired an engineer from another company to repair the boiler. In July, Mr L had a boiler inspection by Gas Safe. The inspection report said there were some defects with the boiler. Mr L complained.

Lloyd's offered £100 compensation for the trouble and upset caused and £300 (the sum it said it would have paid to carry out a power flush of the system before the replacement boiler was installed). It thought it should correct some but not all of the defects identified by the Gas Safe report. Mr L complained to us.

The adjudicator thought Mr L's complaint should succeed. He said Gas Safe's report showed Lloyd's had carried out a poor-quality installation of the boiler in January. Lloyd's shouldn't have refused to do continuing repair work. He understood that due to Gas Safe's findings Mr L faced difficulty in hiring an independent engineer to work on the boiler if anything goes wrong in future. The adjudicator recommended that Lloyd's should replace the boiler. And it should pay Mr L £1,000 compensation.

Lloyd's said it had resolved Mr L's initial complaint about the delays in handling his complaint by agreeing to cover the installation costs of a new boiler. It disputes that its engineers carried out a poor-quality installation. The defects in the report it was responsible for were minor but Mr L wouldn't let its engineer attend. And it said it wasn't responsible for the later problems with the boiler as Mr L had worked on it.

## **my provisional decision**

I made a provisional decision explaining why I'd come to a different conclusion to the adjudicator. I said:

I have to decide whether Lloyd's has acted reasonably under the policy and if not whether its suggested remedy is fair. I don't agree with the adjudicator's recommendation.

The policy covers Mr L for emergency costs up to £1,000 (inclusive of parts up to £150). There's no cover for boilers over 15 years old. Mr L told Lloyd's straight away that he thought his boiler might be older but it decided to act under the terms of the policy anyway.

Mr L and Lloyd's have provided detailed accounts of what happened, which on occasion differ. What's not in dispute is:

- Lloyd's took too long between being told of the problem with the boiler in December and attending to do the repair on 28 January
- the boiler that had broken was in poor condition
- Lloyd's installed a boiler that Mr L had bought. This was nearly 10 years old and the warranty had expired before Mr L had bought it but it appeared to be unused
- Lloyd's met the costs of the installation of that boiler (just over £1,200) under the policy
- due to some faults with the replacement boiler Mr L did some remedial work (he says this was to the pipework not the boiler itself)
- when the boiler developed a fault in February Lloyd's refused to do repair work because it thought that the problems were due to the work Mr L had done
- Mr L employed an engineer from another company to do repair the work (I understand that Lloyd's paid the cost of this repair)
- Gas Safe's inspection in July detailed 10 defects with the boiler some of which were attributed to Lloyd's engineer
- Lloyd's engineers weren't able to attend Mr L's property to put right the defects attributed to it (Mr L disputes that he refused to allow them to attend).

I don't think Lloyd's should cover the cost of replacing and installing a new boiler. The Gas Safe report doesn't say the boiler needs replacing. The defects need to be put right. And even if the boiler did need replacing the policy doesn't cover the cost of a replacement.

There's no evidence that Lloyd's installation was so poor that a new boiler is necessary. And even if there was evidence that the boiler should be replaced I can't fairly say that was because of Lloyd's work. Mr L bought a boiler that was outside the warranty period. And people other than Lloyd's engineer have worked on the boiler.

So I'm intending to require Lloyd's to provide an engineer to attend Mr L's property to make right the defects to the boiler in the Gas Safe report that are attributed to its engineer. For the avoidance of doubt these are the defects at points 3,5,7,8,9 and 10 under the boiler heading section in the report.

Although Gas Safe hasn't attributed point 4 to Lloyd's engineer this appears to me to be connected to the installation of the boiler and should also be corrected. If Lloyd's disagrees it can give me its comments to consider.

I anticipate that Mr L may have some reservations about Lloyd's engineer doing the work. So I think it's fair to say that the corrective work should be done to the standard approved by the

Gas Safe inspector. After the work is completed Mr L can get another Gas Safe report to check the work has been done to the correct standard.

As to compensation, Mr L was clearly inconvenienced by Lloyd's unacceptable delay in repairing the boiler. It took it a month from the date the fault was reported. He was without hot water in winter, over Christmas. The delay after 28 January was due to Mr L not having all the parts for the new boiler that he bought which isn't Lloyd's responsibility. Events after the faults developed on the replacement boiler were also very frustrating for him although Lloyd's concerns about its responsibility weren't completely unreasonable. Mr L demonstrated to Lloyd's that his knowledge and work arguably went beyond 'DIY'.

Lloyd's has offered compensation of £400. It also paid for installation costs over £200 above the policy limit which it could have asked Mr L to pay but didn't. So effectively that's £600 in compensation. I think an overall amount of £600 is fair.

### **responses to my provisional decision**

Mr L didn't agree. He responded in detail, covering many issues and referring to the relevant regulations and the boiler's installation manual and checklist. His main points in summary are:

- My decision about compensation is unfair as it takes into account factors that he hadn't been told about.
- To save costs he volunteered, with Lloyd's agreement, to complete some of the corrective work. As it agreed for him to complete work on the boiler's pipework it's double standards to say the work he later completed went beyond DIY and for me to criticise him for that. There's no evidence he did any work on the boiler.
- He gave examples from the regulations and the manual as evidence that the boiler's installation was poor. He thought so poor as to be negligent and a new boiler is necessary. He sent a letter from an engineer (Mr M) who is registered as a Gas Safe engineer through his employer (a housing association). Mr M's letter attributes the boiler's ignition board failure to the poor standard of the Lloyd's engineer's installation. He says he would be unwilling to complete any work on the boiler as he would then be liable for the faults.
- Lloyd's engineer's response that it hadn't done anything wrong shows a lack of understanding of the regulatory requirements. He didn't want it to complete further work as he had no confidence in its work. Gas Safe are continuing an investigation into the engineer's suitability as a registered member of their scheme.

Lloyd's agreed with my provisional decision. We asked if it had any comment on Mr L's response and Mr M's letter. It queried Mr M's independence. It was unlikely he'd written the letter for free unless Mr L had a housing association property and it wasn't aware of that. And Mr M had only been given information by Mr L to reach his conclusions that the damage was caused by its engineers. Another engineer had worked on the boiler. It clarified that its concern wasn't Mr L's work to his water supply which leads to the boiler. Its concern was about the work carried out by his private engineer. A Gas Safe inspector had found issues that needed putting right. He hadn't said a new boiler was needed. His report should be given most weight.

### **further developments**

Before I made my final decision I noted that in the Gas Safe report under point 2 of the gas supply heading Lloyd's engineer has been asked to correct that defect too. We contacted Lloyd's and told it I was intending to require that Lloyd's engineer also repair that defect, unless already fixed.

Also, having considered Mr L's response to my provisional decision I thought the level of compensation should be increased. Mr L said that prior to installation he asked Lloyd's engineer if he needed to buy any further parts for the boiler he'd bought. He wasn't advised there were parts missing until the engineer arrived to install. This meant he was without heating and hot water for five extra days. If that was correct (and I'd no reason to doubt it) then on this point and reviewing matters overall I thought an additional £200 compensation was payable for his upset and inconvenience.

We asked for Lloyd's comments on those two points but it hasn't replied by the date we gave it to respond.

### **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 sorry to disappoint Mr L but Lloyd's doesn't need to provide him with and install a new boiler for free. But I do think that Lloyd's should pay Mr L an extra £200 compensation. I'll explain why.

I've read Mr L's detailed response. I'm not doubting there were defects in Lloyd's engineer's installation of the boiler. The Gas Safe report makes it clear what the problems were. Mr L says that he had to fix other problems. But importantly there's no evidence in the report that the amount and/or seriousness of the defects mean the boiler must be replaced. The report says Lloyd's engineer needs to put right the defects.

I'm giving more weight to Gas Safe's report than Mr M's letter. His letter lists the defects Mr L told him about. I don't think he saw the boiler because his letter says he's not 'inspected the appliance'. Even if I did think Mr M was independent, his letter doesn't say that the boiler needs to be replaced due to poor installation. He does say that he wouldn't work on the boiler as he'd then become equally liable for its faults. But he doesn't say he wouldn't work on it if the faults were corrected.

For the reasons given in these and my provisional findings above the fair outcome is for Lloyd's engineer to repair the points attributed to it in the Gas Safe report. It hasn't made any comment as to why this shouldn't also include point 4 under the boiler heading or point 2 under the gas supply heading in the report. So for the avoidance of doubt it needs to repair the defects numbered 3,4,5,7,8,9 and 10 under the boiler heading section in the report. And, unless already fixed, it should also repair the defect numbered point 2 under the gas supply heading in the report.

Mr L says he has no confidence in Lloyd's engineer to correct the faults. That's why I said the corrective work should be done to the standard approved by the Gas Safe inspector. Given the issues that have arisen about Mr M's independence, after the work has been completed both parties should jointly instruct an inspector for a Gas Safe report to check the

work has been done to the correct standard. If there's a charge for the report Lloyd's must pay 50%.

I'm sorry if Mr L thought I was critical of him doing any corrective work. From the information I had Lloyd's was concerned about his work. It's now clarified it had no issue with the work he did on the pipework. Whether or not he did work on the actual boiler doesn't make any difference to my decision.

On compensation, Mr L says Lloyd's didn't explain that a £1,000 limit applied to his policy, if so he would have arranged another cheaper engineer to attend. But the limit is clear in his policy and Lloyd's was doing the work under his policy. If Mr L had arranged another engineer to do the work I wouldn't say Lloyd's should pay him £1,000 or £1,200. But as I said above, I do think Lloyd's should pay an additional £200 to what I proposed in my provisional decision for the reasons I've given. This means the overall compensation is, in effect, £800. Lloyd's has forgone the £200 above the policy limit it could have asked Mr L to pay for the installation costs, and must pay him another £600 - £400 that Lloyd's offered and the additional £200.

### **my final decision**

I partly uphold this complaint.

I require Society of Lloyd's to:

- repair the defects to Mr L's boiler as listed in the Gas Safe report at points 3,4,5,7,8,9 and 10 under the boiler heading in the report and at point 2 under the gas supply heading in the report. The corrective work must satisfy a Gas Safe inspection that has been carried out on joint instructions. If there's a charge Lloyd's must pay 50% of the cost of that inspection.
- pay Mr L compensation of £600.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 16 May 2016.

Nicola Sisk  
**ombudsman**