

complaint

Mr R complains that Acromas Insurance Company Limited gave poor service under a home emergency insurance policy.

background

Mr R says his wife is disabled. Mr R says his central heating boiler was about eight years old.

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

Mr R had “*Complete Home and Heating*” cover. That provided for the repair of his boiler.

Alternatively, if it was beyond economic repair (BER), the insurer would make a payment towards a new one (a BER payment). The BER payment would be of £500.00 if the boiler was less than seven years old. But – for a boiler more than seven years old – the BER payment was £250.00.

After Mr R reported that his boiler wasn't working, Acromas sent an engineer on Saturday 9 December 2017. Mr R later said he didn't have confidence in that engineer. But he got the boiler going. On Monday 11 December it broke down again and Acromas sent a second engineer who didn't fix it. The insurer said the boiler was BER.

Mr R complained that the first Acromas engineer negligently caused him the need to replace his central heating boiler. He had to pay for a new boiler that cost him £2,640.00.

In a final response letter, the intermediary said the first engineer misdiagnosed the problem with the boiler – but that didn't make any difference because it was BER. The intermediary offered a BER payment of £250.00 and said it was paying an extra £100.00.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. He thought it likely that whatever the first engineer did caused the subsequent leak and further damage to the boiler.

The investigator said Acromas had deprived Mr R of an estimated seven more years of use of his boiler out of an estimated fifteen year lifetime. The investigator said that Acromas should reimburse Mr R that fraction of the cost of his new boiler. The investigator recommended that Acromas should pay Mr R £1,232.00 plus 8% per year simple interest for the time he's been out of pocket.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr R and to Acromas on 6 February 2019. I summarise my findings:

I didn't think there was enough technical evidence to show that the first engineer actually caused damage to the old boiler's heat exchanger, pump or PCB.

The second engineer identified water damage. And I didn't find it likely that such damage had happened suddenly over the course of one weekend.

I wasn't minded to find it fair and reasonable to hold Acromas responsible for damage to Mr R's old boiler – or to direct Acromas to pay compensation beyond the £250.00 BER payment.

Subject to any further information from Mr R or from Acromas, my provisional decision was that I wasn't minded to uphold this complaint. I wasn't minded to direct Acromas Insurance Company Limited to do anything further in response to Mr R's complaint.

Acromas agrees with the provisional decision.

Mr R disagrees with the provisional decision. He says, in summary that:

- Acromas were clearly negligent.
- If the boiler was written off, he was entitled to £250.00, but there was some dispute over whether he would be entitled to £500.00 as it was marginal how old it was.

my 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 provided that the BER payment was subject to filling in a form and providing a copy of the invoice for the new boiler.

Mr R hasn't said his boiler was less than seven years old. He has said it was about eight years old.

I've seen the report of the last service the insurer did. It's undated but I accept Mr R's statement that it had been recent. It didn't record any problems with the boiler such as corrosion or leaks.

The engineer on 9 December didn't make a good impression on Mr R. The engineer asked to borrow tools and had to make a telephone call to ask for advice on what to do.

Our investigator asked Acromas for the first engineer's report. But it hasn't provided a copy. So I accept Mr R's statement that the boiler wasn't leaking water at that time. And I accept his statement that the engineer got the boiler working but didn't explain how.

Only a couple of days later, the second engineer inspected the boiler. I've seen his report. It says that there was a major leak from two locations on the main heat exchanger. He said the boiler needed a new heat exchanger, a new pump and a new printed circuit board (PCB).

I find it likely that the cost of those parts exceeded the value of the eight-year old boiler. So I don't find that the insurer treated Mr R unfairly or unreasonably by saying it was BER and declining to repair it.

I accept that Mr R's wife was upset by what the insurer said.

But the final response letter said the insurer was paying £100.00 compensation. I think that was enough to compensate Mr R for the extra distress and inconvenience he suffered – at an already difficult time - through any shortcomings in the way the insurer dealt with his claim and his complaint.

Mr R has sent us the invoice for supplying and fitting his new boiler. That was for £2,640.00 including VAT. The invoice is undated but I accept Mr R's statement that he received it on 14 December 2017.

I accept that – in the final response letter – the intermediary said the first engineer had mis-diagnosed the boiler. But neither the insurer nor Mr R has given any details of what his incorrect diagnosis was.

And I don't think there's enough technical evidence to show that the first engineer actually caused damage to the old boiler's heat exchanger, pump or PCB. The second engineer identified water damage. And I don't find it likely that such damage had happened suddenly over the course of one weekend.

Therefore – unlike the investigator – I don't find it fair and reasonable to hold Acromas responsible for damage to Mr R's old boiler – or to direct Acromas to pay compensation beyond the £250.00 BER payment.

I expect Acromas to send Mr R the form to claim the BER payment.

my final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Acromas Insurance Company Limited to do anything further in response to Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 March 2019.

Christopher Gilbert
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