

complaint

Mr B complains that Inter Partner Assistance S.A. gave him poor service under a landlord's property assistance insurance policy.

background

Mr B has a property let to tenants. He had a policy in the name of a home assistance company and underwritten by IPA. He called for help with the central heating. He complained about the response.

our adjudicator's view

The adjudicator recommended that the complaint should be upheld in part. He thought that – as it would've deemed the boiler beyond economic repair (BER) - the business had incorrectly advised Mr P to have a power flush. The adjudicator recommended that IPA should:

1. reimburse Mr B's cost of having a power flush completed including 8% simple interest from the date of payment until date of settlement;
2. pay Mr B the BER payment of £200.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr B and to IPA on 29 April 2016. I summarise my findings:

IPA had said that the boiler was probably BER. So I found it fair and reasonable to order IPA to pay the policy benefit of £200.

Shortcomings in IPA's communication added to the trouble and upset Mr B was bound to suffer from the problems with his heating. IPA had already paid Mr B £75. But overall I thought it would be fair and reasonable to order it to pay him a further £50 for trouble and upset.

Subject to any further information from Mr B or from IPA, my provisional decision was that I was minded to uphold this complaint in part. I intended to order IPA to pay Mr B:

1. £200;
2. simple interest on £200 at a yearly rate of 8% from 8 February 2016 to the date of payment. HM Revenue & Customs requires IPA to take off tax from this interest. IPA must give Mr B a certificate showing how much tax it's taken off if he asks for one;
3. (in addition to the £75 already paid) a further £50 for trouble and upset.

IPA agrees with the provisional decision.

Mr B disagrees. He says, in summary, that the power flush was a waste of time and the situation was stressful for him.

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 house is large, detached and built about forty years ago. The boiler and central heating system dated from about that time.

In February 2015, Mr B agreed to pay about £250 for a year's cover.

Like most such policies, Mr B's excluded flushing, maintaining, re-designing or upgrading the system.

It didn't cover the cost of a new boiler. It provided that IPA would contribute £200 if the old one was BER.

I find the policy documents reasonably clear. And Mr B had the usual opportunity to read them and to cancel if he wished. I don't think the policy was one from which he could never have had benefit. So I don't think it would be fair and reasonable to order IPA to refund any of Mr B's payments of premium.

IPA was the underwriter responsible for dealing with claims. Where I refer to IPA I include other parties for whose actions I hold it responsible, in particular the home assistance company and its engineers.

From a safety certificate, I note that the home assistance company did an inspection in October 2015. The policy says that this wasn't a service underwritten by IPA. But I don't think anything turns on this in Mr B's case because IPA was at the property only a few weeks later. Mr B or his tenant called IPA for help with a central heating circulation problem.

IPA sent an engineer who just took a water sample. That wasn't going to solve the problem and Mr B complained during the week or so before the test result was available.

IPA told Mr B he needed to have a power flush at his own expense. Its letter said that it wouldn't provide cover until this was done. This was inconvenient for him but in my view it was in line with what the policy said.

From a certificate and invoice issued in early December, I see that Mr B got a power flush company to flush radiators.

The certificate says the level of sludge was 7 out of a possible 10 in seriousness. In response to the provisional decision, Mr B has said that the power flush company didn't in fact measure the level of sludge. But it hasn't put that in writing. So I place more weight on the certificate. From that I think that – whatever else was needed to fix the heating system - it needed a flush.

The power flush company's invoice totalled about £1,180. This included about £480 for flushing. It also included other work.

The other work included 13 thermostatic radiator valves totalling £260. These valves might've been covered under IPA's policy – but I don't think Mr B made a claim until later.

IPA paid Mr B about £167 in lieu of what it would've paid. I haven't seen enough technical detail to persuade me that it should've paid more.

Despite what the power flush company had done, there were still problems with the heating.

IPA thought the power flush company hadn't done the flush properly. But Mr B paid for an independent engineer. And I place more weight on his report.

He said the main issue was a loss of system pressure at an open vent in the attic. He described a manual override valve as dangerous. And I don't doubt that Mr B was troubled by the thought of what might've happened to his tenants and their family.

But – even if IPA had identified the problem before the independent engineer - I don't think IPA would've been responsible for correcting that installation. The policy didn't cover putting right installations which weren't up to standard.

I accept the independent engineer's statement that a power flush couldn't have solved the problems at all. But that's not the same as saying that a flush wasn't necessary.

From the certificate of the power flush company, I've found that – whatever else was wrong – the system needed a flush which wasn't covered by the policy. So – unlike the adjudicator – I don't think it would be fair to order IPA to reimburse that cost.

From his report, I don't think Mr B's engineer exactly identified what was causing the problem with the vent in the attic. But he made a practical recommendation to have a new boiler and to change the system from open to sealed. I think this bypassed the problem in the attic.

From the engineer's invoice, I see that Mr B incurred about £3,500 on a new boiler. I don't think he followed the engineer's recommendation for a new and more powerful pump.

Keeping in mind the policy terms, I don't think it would be fair and reasonable to order IPA to pay for the new boiler or for an upgraded pump.

I accept that IPA hadn't fully assessed the boiler. But it has said that it was probably BER. So I find it fair and reasonable to order IPA to pay the policy benefit of £200. (Incidentally, that's another reason why it wouldn't be fair to order a refund of premium).

I think the BER payment should've been made by about 8 February, so I'll order IPA to add interest at our usual rate.

There were some shortcomings in IPA's communication. And I think this added to the stress Mr B was bound to suffer from the problems with his heating and the complaints from his tenants.

But – as Mr B was the policyholder – I can't order compensation for the tenants, who bore the brunt of the poor heating.

IPA has already paid Mr B £75. Overall I think it would be fair and reasonable to order it to pay him a further £50 for trouble and upset.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I order Inter Partner Assistance S.A. to pay Mr B:

1. £200;
2. simple interest on £200 at a yearly rate of 8% from 8 February 2016 to the date of payment. HM Revenue & Customs requires IPA to take off tax from this interest. IPA must give Mr B a certificate showing how much tax it's taken off if he asks for one;
3. (in addition to the £75 already paid) a further £50 for trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 July 2016.

Christopher Gilbert
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