

## complaint

Miss B's complaint arises from the handling of a claim made under her home emergency insurance policy with Inter Partner Assistance SA ("IPA"). Whenever I refer to IPA in this decision, it should be read as also including the agents it uses to deal with claims on its behalf.

## background

I issued a provisional decision on this matter in April 2018, part of which is copied below:

*"Miss B contacted IPA on 3 October 2017, as her heating was not working. Her policy with IPA provides cover for the repair of the central heating system, up to a maximum cost of £1,500 (including VAT) for labour and parts.*

*An IPA gas engineer attended on 4 October 2017. He left a report with Miss B titled: "warning/advice (danger do not use) notice report". The report went on to say the boiler was "immediately dangerous (ID) because [there were emissions from the boiler as] rear pad cracked and corroded holes in combustion chamber".*

*IPA refused to carry out the repairs. There are some telephone records which indicate that it told Miss B that she would be responsible for replacing the rear insulation pads and the combustion chamber, these would not be covered by the policy because the damage to them was caused by wear and tear. The policy excludes "the cost of replacement parts due to natural wear and tear". IPA also told Miss B that there was no contribution under the policy towards a new boiler. The policy does not say what will happen in the event the boiler is deemed as being beyond economic repair or irreparable.*

*Miss B says she was told she would need to replace the boiler, which she did on 14 October 2017. However, having done so she says the heating still would not work. The gas engineer that installed the new boiler recommended replacing the diverter valve, which I understand resolved the issues. Miss B says her partner was able to do that work himself at a cost of £50 for parts. Miss B also obtained an independent gas engineer's report, which said that the combustion chamber was not damaged and the boiler didn't need replacing.*

*IPA's final response to Miss B's complaint, issued before she brought the complaint to us, said that the gas engineer had diagnosed that the zone valve head was faulty, the rear pad was cracked and the combustion chamber had a hole in it and needed to be replaced. IPA says he therefore had advised that due to the extent of the work required, Miss B should replace the boiler. IPA went on to say "However, you have provided a report from your own engineer, which confirms that the diagnosis provided by ... [its engineer] was incorrect. I am sorry that on this occasion you did not receive that level of service we aim to provide and feedback has been given to the relevant managers to ensure a situation such as this does not happen again". It went on to offer £100 compensation for the distress and inconvenience caused.*

*Miss B was very unhappy with the response from IPA and wants the cost of the new boiler reimbursed, as it wasn't necessary. Miss B has also said:*

- *She had the boiler serviced by her own plumber and it was okay on 20 July 2017.*
- *She was without heating and hot water until the boiler was replaced (around 11 days)*
- *She had to buy electrical heaters and had additional electricity costs during this time.*
- *She paid £61.50 for the report from the other gas engineer on the old boiler.*

*Miss B therefore brought the complaint to us. One of our investigators looked into the matter and it was also agreed that Miss B would get a further and better report from the independent gas*

*engineer on the condition of the disconnected boiler. The report following this inspection said there were no holes in the combustion chamber and the boiler should not have been condemned: "no damage to front insulation ... didn't need new heat exchanger"*

*As a result of this report, IPA made an increased offer of £500 but Miss B didn't accept this.*

*Our investigator considered that Miss B had only replaced the boiler because IPA had advised her that she needed to, when it wasn't in fact necessary. He therefore recommended that IPA should reimburse Miss B the cost of the replacement (i.e. £1,890). He agreed that the £100 compensation IPA had already offered was appropriate to reflect the additional inconvenience caused to Miss B.*

*Miss B confirmed she accepts the investigator's recommendation. However, IPA doesn't accept the investigator's assessment and says that:*

- Miss B first reported the problem with the heating on 20 July 2017 and it tried to attend but Miss B didn't accept any of the appointments offered, so the claim was closed. She then contacted it again on 3 October 2017, to report the heating was still not working.*
- The claim should have been refused then, as the problem had been present for two months and therefore was no longer an emergency, as required by the policy (i.e. "a sudden and unforeseen" event).*
- It didn't actually 'condemn' the boiler as being beyond economical repair. Miss B was advised that parts were available for the boiler but she would have to have some remedial work carried out first before repairs could proceed.*
- The engineer did comment that Miss B may be better off buying a new boiler and this is what she chose to do. Miss B was aware the boiler could be repaired but chose to replace it, so it's not fair that it should be required to pay the whole cost of that.*
- The policy does not cover contribution toward costs of a replacement boiler.*

*As the investigator was unable to resolve the complaint, it has been referred to me.*

### **my findings**

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Miss B was told by IPA that extensive work was required to her boiler that it would not cover this under her policy. This work should, in my opinion, have been covered (up to the policy limit). I don't consider it fair to apply the exclusion for wear and tear as widely as IPA seeks to do so here; i.e. to include any wear and tear of internal workings of a boiler that can't been maintained or observed by the consumer. Miss B has provided evidence that she had recently had the boiler serviced, I don't see that a consumer can reasonably be expected to do anything more than this in order to maintain their boiler. She would not have been aware of corrosion inside the boiler; and the effects of such corrosion would usually appear suddenly when a hole appears.*

*However, in fact the repairs that Miss B was told needed to have done were not required. IPA's engineer's report said the boiler was immediately dangerous because there were corroded holes in the combustion chamber and therefore it needed to be replaced and a crack in a rear insulation panel. An independent gas engineer has inspected the old boiler and confirmed "no damage to front insulation ... slight mark to rear heat exchanger insulation...didn't need new heat exchanger...no holes in combustion chamber...boiler shouldn't have been condemned".*

*While I accept that IPA didn't technically condemn the boiler as being irreparable it did switch it off and advised Miss B it would be immediately dangerous to use it and it would not repair it.*

*IPA seems to now accept that none of the repairs it told Miss B to have done were in fact needed. While IPA says Miss B made a choice to replace the boiler, she says that IPA's engineer put it in different terms to her. However, whatever the precise wording used by the engineer, it is clear that Miss B was told that there were considerable expensive repairs required, which would not be carried out under her policy, so I can see why she decided to go ahead with replacing the boiler instead.*

*This would not have been necessary, if IPA had done what it was required to do properly. IPA should have properly diagnosed the problem with the diverter valve and replaced this at the first attendance in October 2017.*

*IPA has suggested it could have rejected the complaint on the basis that the emergency it says was reported in July 2017 had not been fixed. I see that Miss B disputes that it was reported in July 2017. The date she had the boiler serviced (by another gas engineer) was 20 July 2017, which is the date IPA says she first reported the failure of the heating system. I have seen no independent evidence she made a claim to IPA then, although IPA's notes of the call on 3 October 2017 says it is related to a previous claim number "no work ever done on that one and still no central heating. Due to customer circumstances heating wasn't a priority, starting to get colder now". However, even if it was first reported in July 2017, I don't agree this would mean IPA would be entitled to refuse the claim on this basis. The policy covers central heating failure – just because this wasn't fixed earlier doesn't mean that is no longer covered. In any case,*

*For the reasons set out above, I consider IPA should reimburse the cost of the new boiler. I am satisfied Miss B would not have incurred these costs if IPA's engineer had not told her that considerable repairs were required to her boiler, which would not be covered by the policy. Miss B's partner also had to replace the diverter valve, which was apparently the cause of the problems all along. She says she did this work himself but it cost around £50 for the part. I have not seen any evidence of the cost of the part but, given the cost claimed I consider it would be fair for IPA to pay Miss B £50 for this. It would seem unlikely that it could have been done any cheaper.*

*Miss B also paid for an independent report on the boiler. During the discussions between the investigator and IPA, it was agreed that it should arrange the independent report. However, as Miss B had already obtained a report on the old boiler, it was agreed that she would get them to provide further details. I consider IPA should therefore reimburse the cost of this report, together with interest at our usual rate. Again, it shouldn't have been necessary for Miss B to incur this cost and the report provided the evidence that IPA's gas engineer had misdiagnosed the problem with the boiler.*

*In addition, Miss B was left without heating and hot water for around 11 days unnecessarily. If the diverter valve had been fixed on the first attendance this would have been avoided. Miss B says she also had increased bills for using electric heaters during this period but I've not seen any documentary evidence of the amounts. She also then had to have the boiler fixed and arrange for the repair of the valve. As well as arrange and pay for inspection of the old boiler and pursue this complaint, all of which could have been prevented. Balanced against this, however, I have to also take account of the fact that Miss B's old boiler was apparently 11 years old and she now has a new one. Taking all this into account, overall I consider that, together with the reimbursement of the costs Miss B's incurred, the sum of £150 additional compensation is reasonable.*

### **my provisional decision**

*I intend to uphold this complaint against Inter Partner Assistance SA and require it to do the following:*

- *reimburse the cost of the new boiler (£1,890) together with interest at 8% simple per annum from the date Miss B paid for the boiler to the of reimbursement;*
- *pay Miss B the sum of £50 as reimbursement of the cost of the repair of the diverter valve together with interest at 8% simple per annum from the date the repair was done to the date of reimbursement;*
- *reimburse the cost of the report (£61.50) together with interest at 8% simple per annum from the date the report was paid for to the date of reimbursement; and*
- *pay £150 compensation for the distress and inconvenience caused by the handling of the claim, including being without heating and hot water unnecessarily for around 11 days.”*

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

I invited both parties to respond to my provisional decision with any further information or evidence they want considered.

Miss B has responded and confirmed she accepts my provisional decision. She has also provided an invoice for the valve that was replaced, showing this cost £45. Miss B also provided evidence that she had in fact paid £76.02 for the report from the other gas engineer, rather than £61.50 as she had thought. Miss B says she isn't able to provide evidence of the increased electricity costs, as her bills were estimated at that time.

IPA has not responded to my provisional decision.

### **my findings**

I've considered all the available evidence and arguments again to decide what's fair and reasonable in the circumstances of this complaint.

As IPA has not responded and no further arguments have been put forward, I see no reason to change my provisional findings. I therefore remain of the opinion that IPA should reimburse the cost of the new boiler and the other expenses Miss B has evidenced (subject to the small changes in amount as set out above), together with £150 compensation.

### **my final decision**

I uphold this complaint against Inter Partner Assistance SA and require it to do the following:

- reimburse the cost of the new boiler (£1,890) together with interest at 8% simple per annum from the date Miss B paid for the boiler to the of reimbursement;
- pay Miss B the sum of £45 as reimbursement of the cost of the repair of the diverter valve together with interest at 8% simple per annum from the date the repair was done to the date of reimbursement;

- reimburse the cost of the report (£76.02) together with interest at 8% simple per annum from the date the report was paid for to the date of reimbursement; and
- pay £150 compensation for the distress and inconvenience caused by the handling of the claim, including being without heating and hot water unnecessarily for around 11 days.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 22 June 2018.

Harriet McCarthy  
**ombudsman**