

complaint

Mr W complains about the way in which U K Insurance Limited (UKI) has handled his claim following his boiler being declared beyond economic repair.

References to UKI include its agents and contractors.

background

Mr W has a policy with UKI which included home emergency cover.

In February 2019 he contacted UKI about a leak. An engineer from Contractor C attended on 27 February. When he opened Mr W's boiler, he found that a previous engineer had left some type of tissue paper/paper towel inside the boiler. He assumed this was to cover up a leak. The paper had been there for some time and, being damp, had caused significant corrosion damage to various parts within the boiler. The engineer declared it to be beyond economic repair and unfit to be used.

This left Mr W and his family, which included a four year old child, without a source of heat and hot water. UKI offered Mr W and his family alternative accommodation, but Mr W initially declined this because his daughter needed to be at school the following day.

Mr W says that he believes this to have been the cause for health problems that he, his partner, and their child had suffered for some time. He says they had all experienced bad chests, coughs, and running noses which he attributed to mould spores from the boiler which is in their kitchen and above a food preparation area.

The tissue paper must've been left inside the boiler by a previous engineer, so the history of callouts to Mr W's home by UKI's engineers was investigated. The background can be summarised as follows:

- Contractor M previously held the home emergency contract from UKI. This contract was then held by Contractor C. It was one of Contractor C's engineers who discovered the paper in February 2019.
- An engineer from Contractor C had attended Mr W's house on 28 December 2018 to deal with a radiator leak.
- An engineer from Contractor M had previously attended on 16 and 18 February 2018 to deal with a radiator leak.
- Another engineer, employed by Mr W (Engineer W), had attended in October 2016. He had replaced a motherboard. Mr W says he was with this engineer the while time, and no pipework needed to be touched and he didn't use any blue paper.

Both Contractor C and Contractor M deny that their engineer is responsible for leaving the tissues inside the boiler. Contractor M says that its engineer attended twice in February 2018 to isolate radiators that were leaking. There's no evidence from the job cards that he touched the boiler, but Mr W says he drained the system from the pressure release valve within the boiler. Mr W says the engineer had done this "as a favour", so it hadn't been recorded on the job sheet as he was only supposed to be there to isolate the radiator.

Contractor C says its engineer who attended in December 2018 didn't open the boiler. Mr W has confirmed this, and says that after Contractor M's engineer visited in February 2018, the boiler wasn't opened again until February 2019 when the tissues were discovered.

Both Contractor C and Contractor M deny that their engineer was responsible, and issued final response letters giving their reasons for doing so. On 1 March 2019 UKI also issued a final response letter to Mr W in relation to his complaint, in which it stated

"I've investigated the issue's you raised and as we've discussed the complaint is now with the correct company I've given feedback to our business around your dissatisfaction of the third-party company we use."

Mr W was without a boiler and so without any hot water and a main heating source until a new boiler was installed on 15 March 2019. He says they boiled kettles for baths and tried to stay in the one room to keep warm, and it was very cold at night. He was concerned about the impact of this on his young daughter.

Mr W was also concerned about the cost of buying a new boiler. UKI paid him £250 which his policy provides for towards a new boiler if a boiler is declared BER. He was able to source a Government grant for a further £1,300. His new boiler cost £1,800. After applying the Government grant, he had to pay £500, of which £250 was covered by the BER payment from UKI. So he's £250 out of pocket.

Mr W wants to have his replacement boiler paid for and compensation for the impact he says the old boiler has had on his family's health. He also wanted £250, as provided for in his policy, for alternative accommodation. Although he initially rejected the offer of this because his daughter had school the next day, he later requested it so his daughter could have warm accommodation and a warm bath. He says he didn't receive any response to his later requests.

As Mr W wasn't satisfied with UKI's rejection of his claim, he brought his complaint to this service. Our investigator considered that Mr W's complaint should be upheld, and that UKI should pay Mr W £250 plus interest towards his new boiler, £250 for alternative accommodation, and £300 compensation of the distress and inconvenience he and his family had experienced.

UKI doesn't agree with our investigator's assessment and has asked that the matter be referred to an ombudsman. So Mr W's complaint has been referred to me for a final 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. I'm going to uphold Mr W's complaint and I'll explain why.

It's undisputed that at some time before February 2019, some tissue/paper towel had been left inside Mr W's boiler. The reason may have been to suppress evidence of a leak, but this is immaterial. The fact is it appears to have been there for some time, and was in a mouldy condition, such as might cause a danger to health and also a danger of fire.

Initially Contractor M and then Contractor C were the appointed contractors for UKI. Both deny liability, and have given their various reasons for doing so.

Our investigator conducted a very thorough analysis of the information provided to him and having reviewed this material myself, I agree with his conclusion.

I consider that there was negligence on the part of either Contractor M or Contractor C, and although I agree with our investigator that on the balance of probabilities it was Contractor M who was responsible, I don't need to make that finding for the purposes of my decision.

Ultimately, whether Contractor M or Contractor C was responsible, Mr W didn't have any contract with them. His contract was with UKI, and it's UKI who in my view is ultimately liable for any failures arising under his insurance policy.

The evidence is that the tissues caused corrosion to a number of parts within the boiler to the extent that it was declared to be beyond economic repair and a new boiler was necessary. I think it would be unfair for Mr W to be financially disadvantaged by the acts of UKI's contractors.

I therefore think it would be reasonable for UKI to reimburse to Mr W what he had to pay for a new boiler. He had to pay £500, and UKI has already paid him £250 as a BER payment under his policy. I'm therefore going to require it to pay a further £250.

Mr W's policy also provides for up to £250 to be paid for one night's alternative accommodation. This wasn't provided for Mr W and his family when he asked for it. I therefore consider that UKI should pay him this sum by way of compensation for its failure to provide alternative accommodation when it was needed.

I also consider that Mr W should be compensated for the trouble and upset he and his family experienced for being without hot water and their main source of heating between 27 February and 15 March 2019, and also for the fact that UKI didn't address his concerns promptly and spent considerable time in trying to clarify as between Contractor M and Contractor C where responsibility lay. That was something that could've been done after Mr W's concerns had been addressed. In its final response letter to Mr W, UKI sought to deflect the complaint onto its contractors. I feel in the circumstances an award of £300 is appropriate.

I appreciate that Mr W says that his family suffered ill health and attributes this to spores from the tissue within the boiler and possibly to a leak of gas due to corrosion. Whilst I can understand why Mr W believes there to be a connection between the condition of the boiler and health problems, because I've seen nothing by way of medical evidence to support this, I don't feel I can award any compensation on this ground.

my final decision

For the reasons I've given above, I'm upholding Mr W's complaint.

I require U K Insurance Limited to do the following:

1. To pay Mr W £250 towards the cost of his new boiler, and to pay interest on this sum at the simple rate of 8% a year from 15 March 2019 when he paid for his boiler to the date payment is made to him.

If U K Insurance Limited considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr W how much it's taken off. It should also give Mr W a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

1. To pay Mr W £250 compensation for its failure to provide alternative accommodation.
2. To pay Mr W £300 compensation for trouble and upset.

U K Insurance Limited must pay the compensation elements within 28 days of the date on which we tell it Mr W accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

The February 2019 claim for the boiler breakdown and all amounts paid hereunder should be removed from Mr W's claims history and should not affect his ability to renew his policy or increase any future premiums.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 May 2020.

Nigel Bremner
ombudsman