

complaint

Mr G is unhappy that Acromas Insurance Company Limited failed to correctly diagnose a problem with his boiler, which meant he incurred costs for work that was unnecessary.

background

I issued my provisional decision on this matter in December 2015, an extract from which is copied below:

“Mr G held a home emergency insurance policy with Acromas. In mid-2014, he noticed that his boiler was losing pressure and he was having to top up the pressure regularly. Acromas attended a couple of times and couldn’t find any leak. On the second occasion, the engineer told Mr G that it might be related to the underfloor pipework, which might need to be replaced.

The problem continued and so Mr G had the pipework re-laid, at a cost of £1,366.52. However, the boiler pressure continued to drop. He says he called the boiler manufacturer and was told over the phone that the problem was likely to be the heat exchanger. Acromas came out again and this was confirmed to be the case. The heat exchanger had apparently cracked and this would appear to have been the cause of the loss of pressure throughout. The boiler was deemed to be beyond economic repair and so I assume it has been replaced.

Mr G says that he put his trust in Acromas’ engineers, who twice failed to diagnose a crack in the heat exchanger. He was entitled to rely on their diagnosis and advice that the problem wasn’t to do with the boiler but was a leak from the underfloor piping. He therefore wants Acromas to reimburse the cost of this work, pay towards the cost of redecorating also caused by this and compensation.

Acromas doesn’t accept that it is responsible for these costs. It says that its engineer hadn’t given a formal diagnosis and the contractor that did the re-piping work should have confirmed it was required before doing it.

One of our adjudicators looked into the case. He didn’t think it should be upheld and so Mr G has asked that his complaint be 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.

Acromas’ engineer appears to have checked the radiators for leaks and checked the expansion vessel and pressure relief valve on both occasions that he came out. He says he also carried out “essential checks” on the boiler, which would seem to be checking emissions. There’s no record of any other checks to the boiler. It seems, from the fact that the boiler manufacturer was able to tell Mr G immediately what the problem was, that it should have been diagnosed properly by Acromas.

The engineer told Mr G that “possible pipe re-run to downstairs radiator” would be needed. He didn’t say that any other possible tests could be carried out on the boiler. He did therefore assure Mr G that the problem wasn’t with the boiler. I agree with Mr G, that he was reasonably entitled to rely on Acromas’ diagnosis that there was no problem with the boiler.

Acromas says that its engineer didn't give a formal diagnosis that the pipework needed to be rerun. But having assured Mr G, on two occasions, that the boiler wasn't the cause of the problem and that there were no leaks anywhere else in the property, I also agree with Mr G that he was reasonably entitled to rely on what he was told. No other possibility for the pressure problems was offered by the engineer, as he had effectively ruled everything else out.

I don't consider that Acromas' argument, that the contractor that re-laid the pipes should have identified that it had (twice) failed to diagnose the problem with the boiler before relaying the pipes, is a strong one. Mr G was told there must have been a leak in pipework in his property and all other possible places and causes of that leak had been ruled out by Acromas.

Given this, I think that Acromas should reimburse the costs incurred by Mr G in having the pipes re-laid, as I'm satisfied he wouldn't have had this work done, if it weren't for the failure of its engineer to diagnose the problem with the boiler properly.

Mr G has also provided two invoices for work associated with this: one from a carpenter – to take off skirting boards, plastering and re-laying floorboards for £545; and one from a decorator for repainting and hanging wallpaper for £350 (not including the cost of the wallpaper). The decorator's invoice also says that the ceiling was painted and other work that might not have been directly resulting from the re-laying of the pipes. Mr G hasn't asked for the total cost of the redecorating in any event; reasonably he has only asked for a contribution.

It seems to me that Acromas should reimburse the carpenter's costs, as all of this was due to having the pipes re-laid. I think that a contribution towards the other decorating costs is appropriate but will address this below.

I also consider that Acromas should pay some additional compensation to Mr G for the trouble caused to him by its handling of his claim. This includes, his boiler not working properly for considerably longer than should have been the case due to the failure to diagnose the problem properly; additional appointments due to this as well; and the inconvenience of having to have the pipework and redecorating done. I also consider that part of this payment will be a contribution towards Mr G's other redecorating costs. In total, I think that £350 would be appropriate.

my provisional decision

I intend to uphold this complaint against Acromas Insurance Company Limited and require it to:

- *reimburse the cost of the re-piping £1,366.52 together with interest at 8% simple per annum from the date Mr G paid for that work to the date of reimbursement;*
- *reimburse the carpenter's costs of £545, together with interest at 8% simple per annum from the date Mr G paid for that work to the date of reimbursement; and*
- *pay £350 compensation for the trouble caused to him by the matter and as a contribution towards the redecorating costs."*

developments

I invited both parties to respond to my provisional decision with any further information or evidence they wanted me to consider.

Acromas has responded. It confirms that it understands the reasoning behind my provisional decision but it considers it harsh to hold it responsible for the entire costs of re-laying the pipework. It suggested that it would be more reasonable to award half the cost, otherwise Mr G is getting his home re-piped free of charge, which isn't covered by the policy.

Mr G has also responded and confirmed that he accepts my provisional findings.

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 re-piping of the property isn't covered by the policy but this is irrelevant. Mr G incurred this cost because he was told by Acromas that this needed to be done in order for his heating to work properly. He may receive some benefit from having had the pipework replaced but the fact remains that he wouldn't have incurred this cost at all, had Acromas advised him properly. He might never have needed to replace this otherwise.

My opinion remains therefore that Acromas should reimburse the cost of re-laying the pipework plus interest. Neither party has provided any further arguments about the carpenter's costs or compensation proposed in my provisional decision and so I also see no reason to change my findings about these matters.

my final decision

I uphold this decision against Acromas Insurance Company Limited and require it to do the following:

- reimburse the cost of the re-piping £1,366.52 together with interest at 8% simple per annum from the date Mr G paid for that work to the date of reimbursement;
- reimburse the carpenter's costs of £545, together with interest at 8% simple per annum from the date Mr G paid for that work to the date of reimbursement; and
- pay £350 compensation for the trouble caused to him by the matter and as a contribution towards the redecorating costs.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 February 2016.

Harriet McCarthy
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