Financial Ombudsman Service

complaint

Mr and Mrs T complain about what happened when they asked U K Insurance Limited ("UKI") to repair a leak under their home emergency policy.

background

Mr and Mrs T have a home emergency policy provided by UKI, that they receive as part of a packaged bank account.

Mr and Mrs T said that they rang UKI about a leak on 19 November 2018. They said that they had no hot water, and a loss of pressure in the boiler, which they put down to a leak from a pipe next to the boiler. UKI did some work, which the couple weren't very happy with, and didn't think had fixed the problem. Mr T was then overseas for a short while, and when he returned at the end of November, there was still no hot water.

UKI sent someone out again, but now the boiler itself was also leaking. Mr and Mrs T were left with no heating. They were given alternative accommodation for two nights, then offered money to buy two heaters. They said this was inadequate to heat a five bedroom house in the middle of winter, especially as they had an elderly relative staying.

UKI made further visits in early December. Heating was restored to some parts of the house then. But Mr and Mrs T expressed doubts as to whether these engineers had successfully diagnosed the problem. Mr and Mrs T said they had been asked to contribute to the cost of parts, but their bank manager intervened and they weren't charged.

A visit from UKI on 21 December left the couple with no heating again. UKI had now discovered a leak inside the boiler. Mr and Mrs T said that they had suggested repeatedly before that this might be the case. Promised repairs were not actually completed until 12 January.

Mr and Mrs T said that they thought that their boiler had been damaged by delays in making the first repair. They thought that UKI had taken an unreasonable amount of time to complete repairs. They set out a number of mistakes that UKI had made, and explained the effect that an intermittent but ongoing loss of heating and hot water had on them and their family over the Christmas period.

UKI accepted that the service that Mr and Mrs T experienced was at a less than desired level. It apologised for that. But it said that it had waived an extra charge of over £400 for parts, so it wouldn't pay Mr and Mrs T any compensation.

Our investigator upheld this complaint. She said that she didn't think that the time taken to fix the boiler was reasonable. She didn't think that Mr and Mrs T would've been over their policy limit if things had gone right. She thought that UKI should pay £300 in compensation.

Mr and Mrs T didn't agree with that. They didn't think that the £400 repair cost that UKI waived should be factored into the compensation calculation, because they said that UKI caused the problem in the first place. They said that they hadn't yet received an electric bill for the time when they'd had to heat their house using electric radiators and electric blankets. They felt the minimum level of compensation should be £500.

UKI wouldn't pay that. It said that it thought that the £300 that our investigator had suggested was fair.

Because Mr and Mrs T didn't agree with our investigator, the case was passed to me for a final decision.

my provisional decision

I issued a provisional decision on this complaint and explained why I proposed to uphold it. This is what I said then:

- Mr and Mrs T had a home emergency policy with UKI which provided cover for incidents in their home which would, if not dealt with quickly, leave their home without heating. It covered emergencies relating to plumbing in their home, and the main source of heating in the home. There was a limit on the cover per call-out of £750 for call-out fees, parts, labour and materials.

- Mr and Mrs T had set out what they say happened. And UKI also sent us a brief timeline of what went wrong. What Mr and Mrs T said suggested they thought that UKI had misdiagnosed problems with their boiler. There wasn't enough in what UKI has said for me to be clear if that was the case or not. But I noted that the length of time that this issue seemed to have gone on for provided some support for what Mr and Mrs T said.

- What UKI showed us also suggested to me that there had been avoidable delays. It hadn't explained why a heating system that was signed off as "*no further parts needed*" and described as working on 12 December, then failed again on 13 December. And there was no explanation of why, when replacement parts were identified as necessary on 18 December, the seal pack that was also required was missed from this list, and not ordered until 21 December. So it did seem as if UKI had made mistakes in this case.

- UKI said it thought that compensation should be limited to the amount that our investigator suggested, of £300. It wanted me to take account of the fact that it waived the amount which Mr and Mrs T's claim went over the policy limits.

- Mr and Mrs T had a policy limit of £750 per call out. UKI's assessment of the amount by which Mr and Mrs T had exceeded this limit was based on adding the cost of all their visits together.

- It didn't seem to me to be fair for UKI to say that each time it's had to pay someone to go to Mr and Mrs T's home, but the boiler hasn't been fully fixed, that meant that the claim remained open, so that all these costs have to be added together for the purposes of working out if the policy limit has been reached. Particularly as UKI told Mr and Mrs T on 12 December that it had *"completed the job, advised that no further parts were needed and was now working"* but Mr and Mrs T rang the next day to say that the radiators weren't working and the boiler was still leaking.

- UKI was counting the work it did up to 12 December, and from 13 December onwards, as all one call out. I didn't think that was a fair and reasonable approach.

- I considered what Mr and Mrs T told us about the length of time these problems went on for, and the inconvenience this caused to them. I did think that UKI should pay some compensation. Given the length of time these problems went on for, and the effect on

Mr and Mrs T, I wasn't persuaded that £300 was the right amount to provide a fair and reasonable outcome in this case.

- UKI asked me to take account of what it said was over £400 of waived charges. But I didn't think that it was fair to have assessed costs in the way that UKI had done. I didn't think that UKI should've decided that Mr and Mrs T were over their policy limits by this amount. So I didn't think I should count UKI's waiving of those amounts as part of the compensation in this case.

- For the reasons set out above, I thought that a payment of £500 would provide a fair and reasonable outcome to this complaint. So that's what I proposed to award.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both sides replied to say that they agreed with and accepted my provisional decision.

my findings

Although neither side has offered anything further, I've still reconsidered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I haven't changed my mind.

my final decision

My final decision is that U K Insurance Limited must pay Mr and Mrs T £500 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs T to accept or reject my decision before 21 July 2019.

Esther Absalom-Gough
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