

## **complaint**

Miss M and Mr R complain that Acromas Insurance Company Limited is responsible for poor service in connection with a home emergency insurance policy.

## **background**

The Financial Ombudsman Service deals with consumer complaints against insurance companies and other regulated financial firms. In the case of a complaint about a claim under an insurance policy, we deal with it as a complaint against the insurance company responsible for dealing with the claim.

In our final decision we name the insurance company but we don't name other companies or individuals.

Miss M was living with her partner Mr R. Their central heating boiler was in an upstairs cupboard above the wall that divided the lounge and kitchen below.

In about February 2017 Miss M took out a policy branded with the name of a members' organisation. Acromas was the insurance company responsible for dealing with claims. Where I refer to Acromas I include other companies and individuals for whose actions I hold Acromas responsible.

The policy included cover for repairs. This was subject to a £50.00 excess. The policy also covered an annual boiler service.

In 2017 Acromas did a first inspection and an annual boiler service. Miss M renewed the policy in February 2018. But Acromas didn't do an annual service that year.

On about 23 January 2019 Miss M called for help with her central heating boiler. Acromas visited and said it needed a new expansion vessel and pressure release valve. Acromas gave some advice about re-pressurising the boiler to keep it going. During cold weather, Miss M had to chase for progress.

On 2 March 2019, Mr R and Miss M noticed a damp patch on the lounge wall next to the kitchen, including electric sockets. From then, things got worse for Miss M and Mr R. They were without central heating and hot water. From 3 March 2019 to 5 March 2019 they were also without electricity so they lost food in the fridge and freezer.

From about 3 to 12 March they were at a hotel on a room-only basis and without a fridge. They spent money on eating out.

Electricity was restored to upstairs circuits. The plasterboard had to be removed from the wall. They returned home and lived upstairs while the wall dried out and the downstairs electrics were still off.

On about 12 March 2019 they paid for a new boiler.

They also paid for a report on water ingress.

On 18 March 2019 electricity was restored to ground floor circuits. They had been without working kitchen appliances for about 15 days.

In a final response letter dated 25 March 2019 Acromas offered £1,000.00 for distress and inconvenience.

Miss M and Mr R complained that Acromas should pay the following:

for distress and inconvenience, £250.00 per week per person for 18 weeks (23 January 2019 - mid-June 2019)	£9,000.00
for supply and installation of the new boiler	£3,550.00
for food	£350.00
for the policy excess	£50.00
for the missed annual service	£80.00
total	£13,030.00

Our investigator said that Acromas had split Mr R and Miss M's complaint into two parts:

1. the compensation award for the inconvenience
2. the damage to the property.

He said his opinion was on the first part. He said Acromas had not provided a final answer on the second part of the complaint. So he was unable to give his thoughts on this.

He didn't recommend that the first part of the complaint should be upheld. He thought that the £1,000.00 distress and inconvenience payment which Acromas had offered was fair and in line with what the Financial Ombudsman Service would have recommended.

He said that:

- Acromas had confirmed the boiler was deemed BER (beyond economical repair) before any damage was caused.
- The premium paid for the boiler service due in 2018 was £66.60 and Acromas had said the compensation figure of £1,000.00 did take this into account.
- Keeping in mind the policy term about spare parts, he didn't think Acromas could be held liable to pay additional compensation as they were awaiting parts from their suppliers.

Miss M and Mr R disagreed with the investigator's opinion. They asked for an ombudsman to review the complaint. They say, in summary, that:

- There was an initial misdiagnosis of the fault in January 2019. The amount of water in the wall and the mould growth on the wall after the chipboard was removed both indicate that the water ingress had been ongoing before the water ingress was finally seen at the beginning of March 2019.
- Acromas didn't deem the boiler BER before any damage was caused.
- For 5 weeks from 23 January to 2 March 2019 they were told Acromas was waiting for parts and instructed to manually re-pressurise the system.
- On 4 March 2019 Acromas refused service and told them to arrange their own repair
- The impact of waiting 5 weeks was greatly increased as a result of the wrong technical advice that led to 90 litres of water being released into the living room/kitchen wall.
- The part required in January was freely available and their engineer sourced one in the space of 24 hours between 4 and 5 March 2019.
- On 5 March 2019 their engineer unsuccessfully attempted a repair. His view was that the boiler was BER.

- They were not told the £1,000.00 payment included a refund of boiler service that was not provided in 2018. They don't agree that it covers that.
- Acromas has caused Mr R depression and anxiety.

### my findings

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

In particular Miss M has provided a long chronology document with embedded evidence including emails, photographs and extracts from Acromas system logs and telephone transcripts. I have been able to cross-reference to the logs and the transcripts.

The policy didn't cover repairing or replacing the boiler if it was BER. If it was BER the policy provided a £300.00 contribution towards a replacement boiler.

The policy covered overnight accommodation costs up to £150.00 per night (including VAT) for up to 3 nights where the home was uninhabitable for 48 hours or more. The policy excluded costs for meals and drinks.

From what they say, Mr R and Miss M paid a £50.00 excess on about 23 January 2019.

I accept that Miss M and Mr R suffered distress and inconvenience between January and June 2019. Their home was at times without central heating and electricity. Each of them used up precious leave from work. They had to make numerous phone calls as Acromas didn't communicate as well as it should have.

Mr R suffered depression and anxiety. But his medical evidence mentions an incident at work as well as the problems with his home. So I can't say that Acromas caused his illness.

Acromas acknowledged that manual top-up of the boiler pressure wasn't meant to be a long term solution.

But the boiler still didn't work after Mr R and Miss M's engineer changed the expansion vessel, pressure release valve and filling loop. He said the boiler needed a new printed circuit board.

I've thought about the missed annual service, the 5-week delay and the manual topping-up. And I've noted the water ingress report. It includes the following:

*"Water ingress was found to be coming from faulty fitting on PRV pipework on boiler"*

But I don't consider that there's enough technical evidence that Acromas caused the leak – or caused the boiler to become BER. So I don't hold Acromas responsible for all of the distress and inconvenience described above. And I don't find it fair and reasonable to direct Acromas to contribute further to the cost of the new boiler.

Acromas paid the following:

for the hotel	£483.00
for Mr R and Miss M's engineer's attempted repairs	£550.00

for the water ingress report	£325.00
for the BER payment	£300.00

The policy didn't cover food. So I don't find it fair and reasonable to direct Acromas to pay for food.

Acromas paid for Miss M and Mr R's engineer's repair. So I don't find it fair and reasonable to direct it to reimburse the policy excess of £50.00.

I do find it fair and reasonable for Acromas to reimburse the cost of the missed annual service. I accept that this was about £66.00.

But overall £1,000.00 is much more compensation than I would've found fair and reasonable if Acromas hadn't sent a cheque for that amount. So I don't find it fair and reasonable to direct Acromas to pay any more to Miss M or Mr R – or to do anything further in response to this complaint.

**my final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Acromas Insurance Company Limited to do anything further in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M and Mr R to accept or reject my decision before 12 April 2020.

Christopher Gilbert  
**ombudsman**