



Case study: Insurance

DELAYS IN ESTABLISHING BOILER INSURANCE COVER CAUSES LOSS AND COMPLAINT

Themes: beyond economic repair; delays; home emergency insurance.

This complaint relates to the delays a complainant's home emergency insurer caused when diagnosing repairs to a boiler that was covered by the policy.

In August 2022, Mr G contacted his insurer. His boiler had stopped working and boiler repairs were covered by his home emergency insurance policy. The insurer sent an engineer who restored the heating and hot water. In November 2022, Mr G again reported a boiler fault with his insurer who sent the engineer. Mr G's heating and hot water was again restored. A week later, Mr G once more contacted his insurer as his boiler was now switching on and off intermittently. Mr G's insurer sent an engineer to fix the boiler. The engineer insisted that the fault was due to the controls and believed Mr G must be doing something wrong. Mr G did not agree and stated that the fault was now causing the heating to be on all the time. This was increasing Mr G's heating costs dramatically.

Mr G's insurer arranged for a different engineer to visit, but this was not until December 2022. The new engineer reported the fault was due to a fire in the housing of the boiler. That same day, Mr G contacted his insurer. He reported that his boiler had essentially blown up and he had no heating or hot water, which was extremely distressing with a young family in winter. The insurer spoke with the engineer who advised that the cost of repair was over the threshold the insurer deemed to be 'beyond economic repair' (BER).

In consequence, Mr G had to buy a new boiler at his own expense as repairs to a boiler deemed BER were not covered by his insurance policy. The cost of which was approximately, £4,000.

Mr G made a complaint to his insurer for the lack of a correct assessment of the damage and the two-week interval it had taken for them to arrange a different engineer to assess the issue. Mr G's insurer rejected his complaint about the diagnosis of the fault but offered Mr G £100 for the unnecessary delays. Mr G rejected their offer and referred his complaint to CIFO.

CIFO Investigated and noted that Mr G's insurer had accepted that a delay had occurred but advised that their engineers had diagnosed the boiler fault appropriately. However, CIFO noted that Mr G's insurer had sent engineers on four separate occasions beginning in August 2022, and only in December was the correct diagnosis made, by which point it was too late to make the repairs as the boiler had become BER. As a result, CIFO concluded that, on the balance of probabilities, had the engineers correctly diagnosed the fault prior to the fire in the boiler housing, repairs could have been made and would not have resulted in a BER assessment.

Therefore, CIFO upheld the complaint and recommended Mr G's insurer compensate Mr G £1,500 toward the cost of repairs that Mr G's insurer would have had to cover had they correctly diagnosed

the fault earlier and made the repairs at that time. CIFO also recommended Mr G's insurer compensate Mr G approximately £500 for the distress and inconvenience caused.