



## Case study: Insurance

### MISDIAGNOSED BOILER INSURANCE CLAIM CAUSES COMPLAINANT'S LOSSES

Themes: home emergency insurance; beyond economic repair (BER); policy cancellation fee; delays causing distress and inconvenience.

This complaint relates to misdiagnosed problems with a boiler which led to a complainant incurring unnecessary costs.

In June 2023 Mrs L's boiler was found to have issues after a service had been done. Mrs L contacted her home emergency insurance provider to complete the repairs as boiler repairs were covered by her home emergency insurance policy. In August 2023 Mrs L's insurer sent an engineer to inspect the boiler and it was diagnosed as being beyond economic repair (BER). Unfortunately, repairs to a boiler determined to be BER are not covered by Mrs L's policy, meaning that Mrs L would need to cover the cost of a new boiler herself.

Mrs L made a complaint to her insurer about the way they had handled her claim. Mrs L's insurer advised that they were sending another engineer to provide a second opinion regarding Mrs L's boiler. In September 2023, a second engineer attended and advised that Mrs L's boiler had not been serviced correctly and diagnosed the issue as a faulty flue with a replacement cost of approximately £800.

Mrs L's insurer authorised the repairs and offered Mrs L £250 compensation for the error with the first diagnosis and the subsequent delays they had caused while identifying the issue. However, Mrs L advised that because of her insurer's initial conclusions she had already ordered a replacement boiler which had now been fitted, and Mrs L requested cancellation of her home emergency insurance policy. Mrs L's insurer offered to reimburse Mrs L the cancellation fee she would incur for cancelling the policy, along with the £250 already offered, which Mrs L had accepted. She then made a complaint to CIFO because she felt the compensation she had received had not reflected the level of distress and inconvenience she had suffered. She felt she should have been reimbursed the full cost of the repairs her insurer would have covered had they diagnosed the error earlier.

CIFO investigated and noted that Mrs L's insurer had misdiagnosed Mrs L's boiler as BER and because Mrs L had arranged for a new boiler to be fitted upon their advice, they were unable to complete the repairs that the second engineer had identified as needed. As a result, CIFO acknowledged that Mrs L had incurred a loss, and that she had no other choice but to cancel the policy because her insurer had refused to cover her costs for the new boiler. CIFO did however agree that Mrs L's insurer had appropriately refunded Mrs L the cancellation fee for the insurance policy.

CIFO concluded that, had Mrs L's insurer covered the cost of repairing Mrs L's boiler during the initial service call, Mrs L would not have purchased a new boiler. Therefore, CIFO recommended that the cost of the boiler repairs, approximately £800 should be refunded to Mrs L. CIFO also recommended

Mrs L's insurer compensate Mrs L £500 for the long delays they had caused in identifying the issue, with multiple engineer visits and no heating or hot water during the period which had caused Mrs L great distress and inconvenience.

Therefore, CIFO upheld the complaint and recommended Mrs L's insurer compensate Mrs L a total of £1,300.