

## **The complaint**

Mrs K complains about QIC Europe Limited (QIC) level of service, following a claim under her home emergency policy.

## **What happened**

Mrs K experienced a leak and blocked drain. Her family member contacted QIC in order to make a claim. QIC's agent advised that she was unable to register the claim until she had the authority from Mrs K to speak with her family member. She did however say that Mrs K was able to instruct an independent engineer to assist with the leak and blocked drain. Further, QIC said that it would reimburse any costs in line with the policy terms, which QIC was unable to fully discuss with the family member, as the agent hadn't had Mrs K's prior authority to do so.

In addition, QIC mentioned that currently, their supplier's workload was overwhelmed due to the high volume of callouts. And advised that this was another reason that Mrs K was able to instruct a third-party engineer. Mrs K instructed the engineer who fixed the issue at a cost of £960. She sent in the invoice to QIC, for it to be reimbursed.

QIC ultimately reimbursed Mrs K's costs up to the policy limit of £300. Mrs K was unhappy with this as she felt that she hadn't been provided with a home emergency service. And she felt that QIC ought to reimburse her full costs, especially as she said it hadn't told her about the policy limit. So, she raised a complaint.

In its final response, QIC maintained its position, that it was only able to reimburse up to the policy limit. And as Mrs K had been given her referral rights, she referred a complaint to our service.

One of our investigators considered the complaint and thought it should be upheld. He said that it wasn't reasonable for QIC to reimburse Mrs K's full costs, due to the policy limit. But as Mrs K had suffered from a loss of expectation, given that he felt she had been told to source an independent engineer, QIC ought to pay Mrs K compensation of £100, for the trouble and upset this caused.

Mrs K accepted the view, QIC did not. It relied upon the policy terms and conditions, in which it stated that Mrs K was able to instruct an engineer of her choosing and by doing so, would only be reimbursed up to the policy limit, which was £300. It also pointed out that the policy she held attracted no premiums, so it would be unfair for it to have to now pay additional compensation, when it had agreed to pay Mrs K the maximum, under the policy it could. So, it asked for a decision from an ombudsman.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

I considered the complaint, and I thought the complaint should be upheld. I issued a provisional decision on 30 October 2023 and asked both parties to send me anything else by 27 November 2023. In my provisional decision I said:

*I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of the complaint.*

*Having done so, I'm minded not to uphold this complaint. I understand that this is likely to be a disappointment to Mrs K, but I hope my provisional findings explain why I think this is fair.*

*I've considered the comments and evidence from both parties. I have also reviewed the policy terms and conditions and I've been provided with copies of the call recording when Mrs K's family member reported the claim to QIC. I think the main issue of this complaint is whether it was reasonable for QIC to only reimburse Mrs K, up to the policy limit. Also, whether Mrs K suffered a loss of expectation. So, I've concentrated my provisional findings on these issues.*

*I think it's important to detail what took place during the phone call to QIC from Mrs K's family member. I say this as this is the first report of the home emergency and gives information regarding what was said by both parties. I've listened to the call recording, and I've summarised it as below:*

*Mrs K's family member contacts QIC and tells them that there is a leak coming from outside and all the sinks are blocked. They request for someone to come urgently. He confirms that he is not a joint policyholder and that he didn't have Mrs K's authority to make a claim. But he said that he knew everything about the policy and that he paid the premiums.*

*The QIC agent informs him that she is unable to log a claim, as Mrs K's family member is not authorised to make a claim and that Mrs K will need to make a claim when she is able to. However, the agent agreed to log the details about the home emergency. She also said that she would be able to provide a claim reference number, so that when Mrs K called, the claim would be on the system.*

*A discussion took place regarding the nature of the home emergency. The agent then tells Mrs K's family member that there are two types of policy that it offers, but at this point the family member states that he knows exactly what the policy covers. The agent wouldn't go through the policy terms as Mrs K hadn't given her permission for anyone else to make a claim on her behalf.*

*The agent then goes on to explain that she is able to obtain a claims reference. And she advises that Mrs K will need to instruct a local engineer. She also states that if the source of the leak was a burst pipe, QIC would only cover the claim, if the pipe was visible and accessible. She accepted that the family member was unable to specify where the source of the leak was coming from, but she confirmed that if the source of the leak could be found then the claim would be set up to: 'reimburse the call out charge, labour, parts and material costs, in line with the terms of the policy that is in place for you.' She then said she was unable to discuss the policy further, as Mrs K wasn't there.*

*The agent then reconfirmed that QIC would look to reimburse the costs incurred, 'under the terms of the policy'. The agent explained that due to a surge in callouts to its suppliers, it wouldn't be able to deal with the emergency in a reasonable time. So, in line with the policy terms, it was advising policy holders to instruct third-party engineers, to deal with the emergency much quicker. Then it would reimburse.*

*The agent asked the family member to ensure that Mrs K contacted QIC to discuss the claim further. The family member confirmed that he was able to instruct a third-party engineer and to return to QIC for reimbursement. The call then ends.*

*I think there are three important pieces of evidence from the call recording. The first two is that on two occasions the agent tells the family member that QIC would reimburse all call out charges, labour, parts and material costs, in line with the policy terms and conditions. The other important information is that the family member confirms that he is fully aware about the terms and conditions of the policy and in particular, what the policy covers.*

*As the agent confirmed any reimbursement would be in line with the policy terms, I don't agree that Mrs K had a loss of expectation. I think it's reasonable that Mrs K would've read the policy, to ensure that it was sufficient for her needs. And having reviewed the term, I think it's clear that any reimbursement would be up to the policy limit:*

*'In some circumstances we may agree that you can arrange for your own tradesperson to deal with the emergency. You must get our permission before arranging this. If you arrange for your own tradesperson to carry out any work, please provide an invoice or receipt from them to support your claim for a refund. The invoice or receipt must show each cost separately. We will only refund the cost of the emergency work that is covered under the policy and the most we will pay is £300 (including VAT for each claim). Or we will pay you a cash settlement for the same amount it would have cost us to use our contractor.'*

*Currently, I'm not satisfied that QIC was unreasonable to apply the policy limit to the claim. Nor do I think Mrs K suffered from a loss of expectation, given that the policy is clear that a cash settlement will either be to the policy limit, or what it would've cost QIC, had it used its own contractor.*

*I understand that Mrs K felt that QIC ought to have found an engineer as this was a home emergency. But I think QIC gave a reasonable explanation about its difficulty in sourcing an engineer. So, it gave Mrs K the option to find one herself, which would be quicker, and what happened here.*

*I acknowledge Mrs K's strength of feeling about this complaint and the reason why she referred it to our service. But, in the overall circumstances of this complaint, I currently haven't seen enough evidence to show that QIC acted unfairly. If Mrs K has further evidence that is contrary to this, I will of course consider it. But for now, I intend not to ask QIC to do anything further here.*

Responses to my provisional decision

Mrs K did not respond to my provisional decision. QIC did not have anything further to add. So, my final decision will be the same as my provisional decision.

### **My final decision**

For the reasons given, I don't uphold Mrs K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 30 January 2024.

Ayisha Savage

**Ombudsman**