

The complaint

Mr B complains about the way Admiral Insurance (Gibraltar) Limited handled a home emergency claim.

Any reference to Admiral includes the actions of its agent.

Mr B is being represented on this complaint, any reference to him includes the comments of his representative.

What happened

- Admiral Insurance (Gibraltar) Limited is the underwriter of Mr B's home insurance policy which includes home emergency cover.
- In mid-January 2023, Mr B reported to Admiral that his boiler had broken down and he was without heating and hot water.
- An engineer attended a few days later who said multiple parts needed to be ordered to repair Mr B's boiler.
- On 26 January, Admiral discussed with Mr B that he'd be required to contribute to the cost of the parts as the order exceeded the policy limit of £500. It also explained to Mr B that he could get a repair from the manufacturer of his boiler and that Admiral would cover the cost of doing so. Mr B's preference was for Admiral to order the parts and carry out the repair and for him to contribute towards the cost of doing so.
- Mr B was initially told the ordered parts would arrive by the end of January, but this was delayed twice until 20 February 2023.
- Having been without heating or hot water for a month, Mr B replaced the boiler at a cost to himself.
- Unhappy with how his claim had progressed, Mr B complained to Admiral.
- Admiral didn't uphold the complaint. It said it wasn't responsible for the delays in sourcing the necessary parts.
- Unhappy, Mr B brought a complaint to this Service. An Investigator considered it and upheld it. Whilst she didn't think Admiral needed to contribute to the cost of Mr B replacing his boiler, she said it should pay £200 compensation to recognise the difficulties he'd experienced due to Admiral's handling of the claim.
- Admiral accepted the Investigator's findings, but Mr B disagreed. And so, the complaint was passed to me for an Ombudsman's decision. I considered it but didn't think the outcome our Investigator had reached was fair in the circumstances, and so, I issued a provisional decision in which I said:

“What I’ve provisionally 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.

Having done so, I intend to direct Admiral to pay Mr B £500 as a contribution towards the cost of replacing his boiler along with £200 compensation to recognise the difficulties he experienced during the claim. And I’ll explain why I consider this to be a fair outcome.

Contributing to the cost of Mr B’s replacement boiler

Our Investigator has explained the policy terms and conditions only required Admiral to provide a temporary repair in an emergency situation and that as replacing the boiler provided a permanent fix, Admiral wasn’t required to contribute to the cost of it. But I’m not persuaded that’s the fair outcome here.

Admiral’s responsibility as an insurer is to progress claims promptly. And under the policy its obligation was to provide a temporary repair to Mr B’s boiler. Given it was a home emergency claim, it’s reasonable for Mr B to have expected a timely resolution – but that didn’t happen here.

Whilst I acknowledge the claim was drawn out because of delays with Admiral’s chosen supplier providing the necessary parts, I don’t consider it reasonable to expect a consumer – who is without hot water or heating – to wait more than a month for a part to be sourced. Especially when others residing in the property have health conditions which are exacerbated by cold temperatures.

The terms and conditions don’t stipulate that Admiral will use a specific supplier, and so, when Mr B provided information which showed he could source the necessary part from another supplier, I’d have expected Admiral to consider this as a viable option, but I can’t see that’s happened here.

I’ve seen claim notes which state Admiral couldn’t guarantee the part would arrive and that even if it did, it might not provide a suitable repair. So, it said Mr B could contact the manufacturer of the boiler to complete the repair (which Admiral would pay for) or he could replace his boiler. Mr B has said he looked into having the manufacturer attend but that based on the availability of its engineers it didn’t seem that option would provide a quicker resolution at the time.

Having waited over a month for the part – and with no guarantee it wouldn’t be further delayed – I consider it reasonable that Mr B felt he had no option but to replace his boiler. And whilst the policy doesn’t cover permanent repairs, I consider it fair and reasonable in the circumstances of this complaint that Admiral – having not fulfilled its obligation – contribute to the cost of Mr B replacing his boiler. As the policy limit in respect of home emergency claims is £500, I consider a payment of this amount to be fair in the circumstances.

Compensation

Understandably, being without heating and hot water during the winter months is a stressful situation for anyone, and I know from reading Mr B’s testimony, that this was compounded by worry about his wife’s health condition which worsens in cold temperatures.

This, coupled with the fact Mr B had to spend time chasing Admiral for updates – by phone and email – no doubt, added to what was a difficult situation. Having been told parts would

be delivered and appointments scheduled, only for these to be cancelled at short notice understandably caused avoidable inconvenience and frustration for him.

And so, I agree with our Investigator that Admiral needs to recognise the difficulties Mr B experienced and considering the above, I'm satisfied £200 compensation is fair in the circumstances."

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.

Both parties accepted my provisional decision. And so, for the reasons set out in that decision, I'm upholding this complaint.

My final decision

My final decision is I uphold this complaint and direct Admiral Insurance (Gibraltar) Limited to pay Mr B:

- £500 towards the cost of replacing his boiler (subject to proof of payment). Simple interest at 8% a year should be added from the date Mr B made the payment to the date Admiral pay him.
- £200 compensation for distress and inconvenience. Admiral must pay the compensation within 28 days of the date on which we tell it Mr B accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 September 2023.

Nicola Beakhust
Ombudsman