

The complaint

Mr and Mrs G complain about Admiral Insurance (Gibraltar) Limited's handling of a claim they made under their home emergency policy.

Admiral is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Admiral has accepted it is accountable for the actions of the agents, in my decision, any reference to Admiral includes the actions of the agents.

What happened

In February 2023, Mr and Mrs G made a claim under their home emergency policy with Admiral after their boiler stopped working. Admiral arranged for an engineer to visit the next day. The engineer advised that the gas inlet valve needed to be replaced and it would take a few days for the part to come in.

Mr and Mrs G informed Admiral they were about to go abroad on their honeymoon. They were concerned that the boiler might not be fixed before they left the country. They also let Admiral know that they thought the boiler was still under warranty.

A second engineer visited Mr and Mrs G's property a couple of days after the first visit. He replaced the electrodes and ignition leads and noted that a new gas valve was required.

Around a week later, Admiral sent an email to Mr and Mrs G which said that the cost of a new gas valve, along with parts already fitted, would deem their boiler beyond economical repair. It said if they wanted to proceed with the claim, Mr and Mrs G would have to pay £234.95 as the amount available under the policy was £500.

Mr G raised several concerns about Admiral's handling of the claim. He was unhappy with a lack of contact from it. He said the first engineer diagnosed the issue with the gas inlet valve being seized. The parts the second engineer had replaced were unnecessary and contrary to the diagnosis of the second engineer.

Mr G said the cost of parts shouldn't be deducted from the total claim limit as the boiler was still within its guarantee period, so the expenses were recoverable from the manufacturer. He also commented that Admiral hadn't made him aware there was a cash limit if he chose to have the boiler fixed rather than accepting a cash settlement. He proposed that Admiral pay the £500 cash settlement with a small deduction (of half the cost) for the diagnosis visit.

Admiral acknowledged its communication with Mr G had been poor and offered him £75 compensation. It said the £500 it had mentioned to Mr G when he first made his claim was the full limit of the claim. It was available on a reimbursement basis to be paid once it had been supplied with receipts or invoices for works which had been carried out by his own engineer. The works carried out by Mr G's engineer appeared to be under the warranty so hadn't incurred any further costs for it to reimburse.

Mr and Mrs G remained unhappy and asked our service to consider the matter.

Our investigator thought their complaint should be upheld and recommended that Admiral increase its offer of compensation to £175.

Mr and Mrs G accepted our investigator's outcome. However, Admiral didn't respond, despite being chased. So, the complaint has been passed to me to decide.

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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

The relevant industry rules require insurers to handle claims promptly and fairly. It should provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress.

The job sheet from the first engineer's visit says: *"customers report no heating found ignition fault, new electrodes and leads required."*

On the job sheet for the second engineer's visit it says: *"supplied fitted old burned out electrodes and ignition leads, boiler still faulty, found gas valve faulty new gas valve required."*

Mr G says the first engineer had established that a new gas valve was required, and he's suggested that it wasn't necessary to replace the electrodes.

The second engineer has described the electrodes as being *"burned out"*. So, I think it's likely they needed replacing. However, Mr G has provided us with an email he sent to another company on the day of the first visit which says: *"Our insurer's contractor have visited and advised that the gas inlet valve has failed and needs replacing."* So, I think it's likely that the first engineer found that a new gas inlet valve was required but failed to note it on the job sheet.

It was understandably frustrating for Mr and Mrs G to later be told that the cost of replacing both parts would be higher than the limit of the policy. There also seems to be a delay in them being informed of this as Admiral requested that they call, despite Mr and Mrs G letting it know they could only be contacted by email.

The policy's terms and conditions exclude cover for:

"Any repair costs which are covered by a manufacturer's, suppliers, installer's or repairer's guarantee or warranty."

From what I can see, Mr G said the boiler wasn't under warranty when he first made the claim. However, the following day he told Admiral that he'd originally given the wrong year of installation and he thought his boiler was still under warranty. He said he wasn't sure if it changed anything. The person he spoke to said he would note the information on file, but he didn't give him any advice regarding how it might affect his claim. I think it would have been helpful if Admiral had told Mr G that his claim wasn't covered at this point. However, it hasn't asked Mr and Mrs G to reimburse it for works carried out. So, I don't think they've lost out here.

Mr G says the boiler was repaired by the manufacturer shortly before he and Mrs G returned from their honeymoon. If Admiral's communication with them had been better, I think it's likely the boiler could have been repaired a bit sooner. Although they weren't in their property for most of the time the boiler wasn't working, it was a worry that their home might be damaged while it was out of use.

Mr and Mrs G were also caused some unnecessary frustration and inconvenience by Admiral asking them to phone after they'd advised they couldn't be contacted by this method. I can see that Mr G attempted to communicate with Admiral by email and live chat a number of times. It was a few days before he was informed of Admiral's decision regarding the claim.

Admiral has acknowledged that it's communication with Mr and Mrs G was poor and has offered them £75 compensation. However, keeping in mind that this happened when they were supposed to be enjoying their honeymoon, I think Admiral's error caused them more than the levels of frustration and annoyance that might reasonably be expected from day-to-day life. So, I think it would be fair for Admiral to pay them a total of £175 for distress and inconvenience.

Putting things right

Admiral should pay Mr and Mrs G £175 for distress and inconvenience.

My final decision

For the reasons I've explained, I uphold Mr and Mrs G's complaint and direct Admiral Insurance (Gibraltar) Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 5 February 2024.

Anne Muscroft
Ombudsman