

The complaint

Mr A and Ms P complain that UIA (Insurance) Limited handled a claim on his home emergency insurance poorly.

Both Mr A and Ms P are named policyholders on their UIA policy, so any claim or complaint is brought by them both. But for simplicity, and because most of the information about the complaint has been provided by Mr A, I'll refer mainly to Mr A from here onward.

Mr A's claim was handled by a third party company on UIA's behalf and most of his correspondence has been either with this company or directly with UIA's engineers. However, UIA is the policy underwriter, so the complaint is against UIA. Any reference to UIA in my decision includes its agents, including the claims handler.

What happened

Mr A had a UIA home emergency insurance policy. On 3 November 2021, he reported a leak from a pipe and asked UIA to arrange an emergency repair.

UIA's engineers attended on 4, 5, 9 and 17 November 2021:

- 4 November. The engineer replaced a copper pipe and other parts he thought might be leaking and advised Mr A to call UIA should the problem persist.
- 5 November. The engineer fitted new parts and found no leak.
- 9 November. The engineer replaced the cold water pipe.
- 17 November. A second engineer made some repairs which finally fixed the leak.

Mr A complained to UIA. He was unhappy that:

- The first engineer failed to fix the leak on his first three visits.
- UIA charged him £38 before it agreed to send a second engineer.
- The leak wasn't fixed until 17 November, two weeks after he reported it.
- The second engineer said a repair carried out by the first engineer was unnecessary.

UIA didn't uphold the complaint. It said its engineers' labour costs exceeded the policy limit, so under the policy terms Mr A was liable for the extra cost (£38.40, including VAT). It explained that "*the [leak] was difficult to diagnose due to the amount of condensation which was found in the pipe location*". It said its first engineer went through a process of elimination to try to locate the leak. The second engineer was able to fix the leak based on the first engineer's work.

Mr A didn't accept this and brought his complaint to this service. He's unhappy that he had to take time off work and was frustrated at having to call the engineers daily. He also told us about the disruption this had on his family. He wants UIA to refund the £38.40, as well as the cost of his phone calls. He'd also like UIA to compensate him for the time he had to take off work and the inconvenience UIA's handling of this caused him and his family.

Our investigator didn't recommend that Mr A's complaint should be upheld. He was satisfied that the labour costs exceeded Mr A's policy limit, and UIA acted fairly by charging him these extra costs. He was also satisfied that the second engineer attended at the earliest available opportunity. He didn't think UIA had treated Mr A unfairly.

Mr A disagreed with our investigator, so the case was passed to me to consider.

My provisional decision

I issued a provisional decision on this complaint on 15 June 2023. I said:

"Mr A's policy includes home emergency cover. Section E of the policy booklet (page 48) defines a home emergency as: "A sudden unexpected event which clearly requires immediate remedial action in order to prevent damage or avoid further damage to the home" and covers, among other things, the main heating system and plumbing/drainage. The same section also defines emergency costs, including "contractor's necessary labour up to two hours".

Mr A's Insurance Product Information Document (IPID) summarises his emergency cover as: "Emergency costs up to £1,000; including contractors call out charges, labour for up to two hours, parts and materials up to £100...."

UIA says the repairs took "3 hours of labour and £43 worth of parts". Based on the evidence provided by both parties, I think it's likely UIA's engineers did more than two hours work. So I'm satisfied that Mr A was liable for one hour labour costs and UIA acted in line with the policy terms by charging him £38.40.

However, I understand why Mr A might have thought it was unfair to charge him before the leak was fixed. I also understand why he was unhappy that UIA told him he'd have to make a complaint to get this refunded. And, given its engineers needed multiple visits to fix the leak, I'm not persuaded it was fair for UIA to charge this. On balance, I think UIA should refund this fee, plus interest.

Mr A is particularly unhappy that it took a week between him paying the £38 (10 November) and the engineer's final visit (17 November). UIA told us its engineer offered Mr A an appointment on the mornings of 14 and 15 November. It says Mr A declined the first because "he advised that it had to be after 15.00pm", and the second because there was "some confusion around this being suitable for the customer". Mr A says this isn't true and a morning appointment would have been better for him because he worked evenings.

I think the evidence supports Mr A here for the following reasons:

- *The three previous appointments were all before 3pm.*
- *The fourth and final visit on 17 November was before 2pm.*
- *There's no reference to Mr A rejecting these appointments anywhere in UIA's claim file. I also note that UIA didn't mention them in its final response to his complaint.*
- *Given the situation, I think Mr A would have accepted the first appointment he was offered.*

So I don't accept UIA's argument that Mr A was responsible for the delay arranging the final visit. I understand that UIA says the leak was difficult to locate. However, I don't think it was acceptable for UIA to expect Mr A and his family to be without water for over two weeks. I think Mr A had a reasonable expectation that his emergency cover would protect him from this sort of event. I think UIA's engineers should have fixed the leak much sooner.

I'm not persuaded that Mr A and his family were in any danger. UIA told us its engineers advised Mr A to shut off the water and this seems a sensible precaution to avoid further water damage. But there's no suggestion that this was a dangerous situation. I appreciate Mr A told UIA the leak was near electric sockets, but I've not seen any evidence that it was necessary for Mr A to switch off his electricity.

However, I've no doubt this would have been a frustrating and stressful time for Mr A and his family. Three visits by engineers failed to stop the leak and there was a gap of over a week before the final visit. The family were without full access to water for two weeks despite having home emergency cover that Mr A might reasonably expect would deal quickly with this sort of problem. I don't think UIA handled the claim well enough, and I think it should compensate Mr A and Ms P for this.

I've considered what this service awards in similar situations. Having done so, I think UIA should pay Mr A and Ms P £250."

Responses to my provisional decision

Mr A acknowledged my provisional decision but didn't have any comments.

UIA asked for more time to consider my provisional findings. I allowed this but UIA didn't respond.

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.

Given neither party has commented on my provisional findings I see no reason to change my decision.

My final decision

My final decision is that I uphold the complaint for the same reasons set out in my provisional decision. I order UIA (Insurance) Limited to:

- Refund Mr A £38.40, plus interest at 8% simple a year from the date of payment to the date of settlement.
- Pay Mr A and Ms P £250 to reflect the distress and inconvenience its handling of their claim caused them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Ms P to accept or reject my decision before 9 August 2023.

Simon Begley
Ombudsman