

The complaint

Mr C is unhappy with the service provided by Wakam following a claim for damage to his boiler.

What happened

I set out the background to Mr C's complaint in the provisional decision I issued on 18 December 2023, but I'll set it out again below.

Mr C held a home insurance policy with Wakam which included home emergency cover that had a £500 per claim limit. The exclusions section explained the policy would not cover *'Repair to a boiler that is beyond economic repair'*, and *'Repair to any system that has not been regularly maintained or serviced.'*

In August 2022 Mr C called Wakam to report that his boiler was not working. Mr C found it difficult to find the correct contact details for Wakam. Wakam arranged for one of its engineers to investigate. Mr C has explained *'It took 6 days to get someone to come out'*. Mr C was left without hot water and heating during this time.

Following inspection of Mr C's boiler, the engineer's notes recorded *'... A15 fault upon arrival boiler had locked out. Pressure was at 0.8 bar I increased the pressure to 1.5 bar. Boiler reset and operational. A15 fault is possibly a fault with the pressure sensor. However there is evidence of a small leak from the bypass flexi hose. This could also cause loss of system pressure. I would order the pressure sensor as a precautionary.'*

After chasing Wakam, Mr C was told the repair cost would be £936 plus VAT. Mr C asked for a breakdown of the repair costs, which included *'Call Out: £160+VAT'* and *'Additional time on site: £150+VAT.'*

Mr C was unhappy with these costs, and the total being over his policy limit. Mr C complained to Wakam about the difficulty in finding a contact number to report his home emergency, delay in sending an engineer to inspect his boiler, high call out charges and repair costs provided by Wakam's engineer, and overall delay in dealing with his claim.

Wakam rejected Mr C's complaint. Wakam said contact details are provided in the policy booklet, and through their recommended app. Wakam apologised for the delay in sending an engineer. Wakam explained *'...this cover has a £500 per claim policy limit. This should be sufficient to effect a repair to a regularly serviced boiler.'* Wakam referred to the policy exclusions which it said applied in Mr C's claim. Wakam also said trade prices for repair parts can vary.

Unhappy with Wakam's response, Mr C referred his complaint to the Financial Ombudsman service for investigation. The investigator found that the service provided by Wakam had been reasonable. Mr C didn't accept the investigator's findings. Mr C said *'The cost of the emergency service effectively nullified the very reason I had insurance coverage... protection against unexpected events... Not to mention, this doesn't even account for the other parts of my complaint regarding the quality of service and response time.'*

As the complaint couldn't be resolved it has been passed to me for decision.

I issued a provisional decision on Mrs P's complaint. This is what I said about what I'd 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've focused my comments on what I think is relevant. If I haven't commented on any specific point it's because I don't believe it has affected what I think is the right outcome.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that's happened or been argued is set out above, I've read and considered everything that's been provided. During our investigation Wakam was asked to provide additional information to ensure a fair and reasonable outcome could be reached on Mr C's complaint. Wakam failed to respond to these information requests. Because of this, the outcome reached is based on the current evidence on file.

Contact information not clearly displayed

Mr C has explained how he tried to register a claim through the recommended app, and was unable to do this due to the app not working. Mr C has also explained how the number provided in Wakam's policy booklet was invalid. Wakam hasn't specifically commented on Mr Cs' difficulties in using the app, or the number in the policy booklet. And it hasn't responded to this service's request for further information to investigate this complaint.

In the absence of any evidence to the contrary, I'm persuaded by Mr C's testimony about the difficulties experienced in contacting Wakam when trying to register his home emergency claim. But I'm also mindful that despite these difficulties Mr C did manage to make a claim, and although frustrating, this isn't the crux of Mr C's complaint. I have considered the frustration caused to Mr C when deciding what overall compensation should be.

Delay in sending an engineer and dealing with the claim

Mr Wakam has explained 'It took 6 days to get someone to come out'. In the final response letter, Wakam has explained 'We do apologise for the time it took to finalise validating the claim for your damaged boiler.' Wakam hasn't specifically commented on Mr C' complaint about the delay in sending an engineer.

Mr C has explained he was left without hot water and heating during this time. I'm persuaded this would've caused Mr C inconvenience and upset. In deciding what fair compensation should look like, I've considered Mr C's comments, and the time of year. As it was during the month of August that Mr C was left without heating, I'm satisfied the impact of this would've been nominal. However, Mr C has explained how he was materially impacted without having access to hot water, including having to shower at the gym, and generally being frustrated with not being able to use hot water when he needed to.

Mr C has also explained how he didn't hear back from Wakam after the engineer's visit. Mr C has said 'My complaint was on the 9th of September. After waiting 4 weeks for a response/resolution (without hot water/heating) it became apparent that none would be forthcoming.' Mr C has explained how this delay impacted his decision to buy a new boiler. Wakam hasn't responded to this service's request for further information to investigate this complaint. I note that the final response letter acknowledges Wakam's poor service.

I'm satisfied it would've been frustrating for Mr C to have firstly waited for an engineer to inspect his boiler, and secondly, for a response from Wakam on the options available to him under the terms of his policy. During this time, Mr C was forced to go without hot water and heating. This was compounded by Wakam's lack of timely response to his claim. I've considered the impact on Mr C being as a result of these service failings when deciding on what overall compensation should look like.

Cost of repair parts

Mr C says the cost of repair parts were extortionate, and that he was told by the manufacturer that parts and labour would cost £369.60.

Wakam hasn't responded to this service's request for further information to investigate this complaint point. Specifically the final response letter dated 3 November 2022 says the policy would not cover a boiler that was beyond economic repair, or a boiler not regularly maintained or serviced. However the engineer's notes make no reference to the state of the boiler being described this way. Wakam has failed to clarify whether the business considers the claim should be excluded for these reasons, and if so, what evidence it is relying on if maintaining this position.

Wakam was also asked to clarify the call out charges provided to Mr C. The engineer's call out charge is noted as £160 plus VAT, and a further £150 plus VAT has been charged for additional time. Wakam was asked to clarify the total amount of time spent during the visit to attend to Mr C's home emergency, and any documentary evidence in support of these timings. Wakam was also asked to clarify at which point charges would be added for 'additional time'.

Mr C has explained how the manufacturer for his boiler informed him that parts and labour would cost £369.60. I think Wakam should've offered a better explanation for why these costs differ from the repair costs their own engineer had provided. Mr C has also explained his boiler was serviced annually so he doesn't feel Wakam's reliance on the exclusions in his policy is reasonable. Based on the evidence I've seen, I agree. I can't see that the engineer made any reference to the boiler not being 'regularly maintained or serviced' as relied on by Wakam.

Wakam has also relied on the policy exclusion for 'Repair to a boiler that is beyond economic repair'. But in order to say that this exclusion has been fairly applied, I'd need to be satisfied that the repair cost information provided by Wakam was reasonable. Because of the lack of clarity in explaining the charges produced by Wakam's engineer, I don't think Wakam has done enough to evidence that the repair costs provided by its engineer are fair and reasonable.

Despite this, I do agree with the investigator's findings about this service not directing a business on the amount it ought to charge for parts and labour when dealing with a claim. We would expect a business to explain what charges have been applied, and clarify this information, if needed. In this case, the poor service is Wakam's failure to clarify the cost of parts and labour, despite Mr C being unhappy with what he had been told, and providing a compelling testimony about an alternative repair estimate given to him by the manufacturer of his boiler. I would've expected Wakam to have offered further explanation about the breakdown of costs, and the impact on Mr C's claim, and why the policy exclusion for beyond economic repair was relevant in this case.

Because of Wakam's failure to update Mr C in a timely way, Mr C was unable to make an informed decision about his boiler. And I think it's reasonable that Wakam offer payment to

reflect the trouble and frustration caused to Mr C because of their overall poor service in handling Mr C's home emergency claim.

Putting things right

When thinking about what fair compensation should look like, I've kept in mind the cost of Mr C's add-on home emergency policy, the impact described by Mr C, and the lack of timely actions taken by Wakam when handling Mr C's claim. So, I intend to recommend Wakam compensate Mr C with £200.

My provisional decision

My provisional decision is that Wakam should pay Mr C £200 in total to reflect the trouble and upset caused.

I invited both Mr C and Wakam to respond to my provisional decision. Mr C and Wakam accepted my provisional decision.

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.

As both parties have accepted my provisional findings, my provisional findings and decision remain unchanged.

Putting things right

To put things right Wakam must pay Mr C £200 in total to reflect the trouble and upset caused.

My final decision

For the reasons provided I uphold this complaint.

Wakam must follow my directions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 February 2024.

Neeta Karelia
Ombudsman