

The complaint

Mr N and Mrs P complained that Amtrust Europe Limited (“Amtrust”) failed in repairing their boiler under a home emergency policy and their poor judgement led to Mr N and Mrs P incurring unnecessary charges.

What happened

Mr N and Mrs P made a claim when their boiler was malfunctioning and kept dropping pressure. However, Mr N and Mrs P didn’t think the service it received from Amtrust, and its contractors was satisfactory.

Mr N and Mrs P said Amtrust failed in properly diagnosing what was causing the boiler to be malfunctioning. They said they had visits from six different engineers and each one suggested a different cause.

This caused issues for Mr N and Mrs P as their policy had a £1,000 limit on repairs. As Amtrust kept recommending different repairs, the policy limit was used up and Mr N and Mrs P were asked to pay the additional cost over the £1,000 limit to get the work done. However, when Mr N and Mrs P were asked to pay another cost of around £1,200 they decided to stop utilising Amtrust and had their own private contractor review the boiler.

Mr N and Mrs P’s own contractor thought the boiler was beyond economic repair and he installed a new boiler at a cost of £3,350. Mr N and Mrs P are unhappy as the delays meant their family were left without heating and hot water for longer than necessary and they incurred unnecessary costs.

Amtrust said “it is unfortunate that the issues with [Mr N and Mrs P’s] boiler were not just one or two parts that could be resolved in one or two attendances and the issue went on for a prolonged period of time. Though this was outside of our control, the length of time was acknowledged in the offer of £150.00 and £75.00 as gestures of goodwill”.

Our investigator decided not to uphold the complaint. She didn’t there was evidence of poor workmanship and thought Amtrust had been fair in paying £225 compensation as a gesture of goodwill. Mr N and Mrs P disagreed, so the case has been referred to an ombudsman.

My provisional decision

I made a provisional decision on this on 27 February 2024. I said:

“Amtrust said “no parts are replaced unless the engineers finds a fault/damage requiring their replacement. As is common for boilers, the issue first identified can be symptoms of another issue; which is only identifiable once the symptoms have been resolved. When a part is replaced and producing the correct output, this increased output can cause other parts to then fail. From the information, it shows there was extensive issues within the boiler, that no one part replacement would have solved on its own.

As detailed in the [Amtrust's final response], the last part diagnosed was not an obvious issue. The boiler had to be turned off, the condensate pipe disconnected to be allowed to drain into a receptacle for two days. From this an issue was found to be with the Heat Exchanger. This is not a standard test and was performed to try and root cause of the pressure issue".

I understand Amtrust's argument. However, I don't think it's normal or reasonable to require six different engineers to try and diagnose the root cause of the problem with the boiler. Mr N and Mrs P's own contractor thought it likely the boiler was beyond economic repair. I need to be careful not to put too much reliance on Mr N and Mrs P's own contractor's opinion as he was also quoting for the new boiler. However, adding this evidence to the age of the boiler and the costs Amtrust had spent to try and fix the boiler, and the additional costs it quoted then I think on balance, it's likely the boiler was beyond economic repair.

Therefore, I uphold this complaint. Mr N and Mrs P has asked for Amtrust to pay for the new boiler. I don't think this is realistic given the policy only covered repairs up to £1,000. However, the policy did include clause 12 "Boiler Replacement Contribution". The clause continues "the insurer will contribute up to £250 towards the cost of a brand-new like for like replacement upon production of an original receipt for payment. This section will not be operative unless We or the Contractor declare the boiler to be Uneconomical to repair, following an accepted claim under Section 10".

As I think it would've been more appropriate for Amtrust to declare the boiler uneconomical to repair. I intend that it should honour clause 12 and pay Mr N and Mrs P £250 towards the cost of their new boiler upon production of an original receipt for payment.

I think Mr N and Mrs P incurred unnecessary costs in having the boiler repaired – as I think it was uneconomical to repair. Therefore, I intend Amtrust to reimburse Mr N and Mrs P any contributions they paid towards repairs.

Finally, I think the delays in resolving the claim has left Mr N and Mrs P's family without heating and hot water for longer than necessary. They've shared with me their circumstances which I think puts them in a more vulnerable position. Given the distress and inconvenience this would've caused, I don't think the goodwill gesture of £225 is sufficient. So, I intend that Amtrust pay Mr N and Mrs P a further £200 in compensation. I think this is a fairer outcome and includes the excessive time Mr N and Mrs P used in attending Amtrust's engineer visits".

Responses to my provisional decision

Amtrust accepted by provisional decision. It said "Boiler Contribution would naturally be offered on provision of documents so doesn't need to form part of your decision as this is Policy led. The offer of £225.00 of course still stands and you request an additional £200.00, which I think is fair".

Mr N and Mrs P didn't respond to 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.

Given neither party has provided any new information, I see no reason to change my provisional decision. I've noted Amtrust's comments, but as the boiler contribution wasn't originally offered, I think it's important to capture as part of my decision.

My final decision

My final decision is that I uphold this complaint. I require Amtrust Europe Limited:

- Pay Mr N and Mrs P £250 towards the cost of their new boiler upon production of an original receipt for payment
- Reimburse Mr N and Mrs P any contributions they paid towards repairs
- Pay Mr N and Mrs P a further £200* in compensation – for distress and inconvenience (if any of the £225* compensation that has already been offered not yet been paid, then Amtrust should pay the balance remaining).

* Amtrust Europe Limited must pay the compensation within 28 days of the date on which we tell it that Mr N and Mrs P accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N and Mrs P to accept or reject my decision before 10 April 2024.

Pete Averill
Ombudsman