

The complaint

Mr S has complained that Inter Partner Assistance SA ('IPA') has refused to cover the full cost of repairing his boiler under a home emergency insurance policy.

What happened

Mr S has a home emergency insurance policy. In February 2019 his boiler stopped working, so he called the insurer to arrange a repair. IPA sent an engineer to inspect it. The engineer said parts were required to repair the boiler, but IPA couldn't obtain the relevant parts as they had stopped being manufactured. So, it said the boiler was beyond economic repair ('BER').

Mr S complained, saying he was able to obtain the parts via the internet. He asked whether IPA would cover the costs. Mr S says IPA told him it would cover the costs if he was able to get his own engineer to fit the parts.

Mr S sent IPA an invoice for £780 after the repairs were completed. However, IPA refused to cover this cost as it wasn't satisfied with the information Mr S provided about the company that had carried out the repair. It also considered the costs were excessive and hadn't been broken down. So, it offered Mr S £250 towards the cost on the grounds that the boiler was BER.

Mr S referred his complaint to our service but the investigator didn't uphold it. She thought it was reasonable for IPA to offer to consider the costs Mr S incurred in repairing the boiler. But ultimately she thought it was fair for IPA to determine the boiler was BER and make a payment of £250.

Mr S didn't agree so the complaint has been passed to me to make a final 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.

Having done so, I'm not upholding it. I realise this will be a disappointment to Mr S, so I'll explain why.

Under the terms of Mr S's policy, his boiler is covered as follows:

'The insurer will appoint the required suppliers and will pay up to £2,000 per insured event, for call out, labour, parts, materials and VAT following an insured event which occurs during the period of insurance for a home emergency relating to the complete failure to function of the main heating system or boiler in your home...'

However, the following term also applies:

'If, in the insurer's opinion, your boiler is beyond economic repair, the insurer will contribute a maximum of £250 towards the cost of you replacing it with a new boiler. This can be claimed by providing a copy of the receipt for your replacement boiler'

within 60 days of the call out.

Failure to replace your boiler will mean that cover under this section no longer applies.'

'Beyond economic repair' is defined in the policy as follows:

'When the cost of repairs exceeds the current economic repair value of your boiler, taking into consideration its age and condition, or where spare parts are not readily available.'

I've seen a copy of the engineer's report; it said the boiler's age was '20 years +'. The report noted that two parts were required to repair it but that they could be obsolete. The engineer recommended replacement of the boiler due to its age. IPA informed Mr H that it couldn't source the parts because the manufacturer had stopped making them in 2002. Furthermore, it said because Mr S's boiler was over 20 years old, it had a minimal value. For this reason, it said Mr S's boiler was BER, meaning it could only offer £250 towards the cost of a new boiler.

Taking everything into account, I don't think it was unreasonable for IPA to determine the boiler was BER. This is due to a combination of its age and the fact parts hadn't been manufactured for around 18 years, so they weren't readily available.

I understand Mr S was able to source parts from the internet; he told IPA he'd had two quotes of £422 and £650 to repair it. Mr S says IPA told him it would reimburse him if he was able to get his own engineer to fit the parts. However, he says IPA went back on this promise after he provided the invoice.

I've listened to the relevant call, but I don't think IPA told Mr S it would definitely reimburse him for the repair. It said if Mr S was able to get an engineer to fit the parts, it would consider reimbursing him. As IPA had already determined the boiler was BER, it didn't have to consider paying anything towards the repairs. The terms above actually say that it will only pay £250 towards the cost of a new boiler. So, by offering to consider reimbursing the costs, it was going beyond the scope of Mr S's cover.

I've seen a copy of the invoice Mr S sent IPA. Although it included a company name, it didn't include a gas safety register number. It also provided no breakdown as to the parts obtained and fitted, or the labour costs. IPA had concerns with this, particularly as Mr S had previously told them he'd been quoted £422 and £650. It thought the cost was excessive based on the parts its engineer had said were required. It asked Mr S for further information, including proof of payment, but this wasn't forthcoming. So, IPA reverted to its previous position that the boiler was BER, but it paid Mr S £250 towards the cost of the repair.

Overall, I think the amount paid to Mr S in respect of this claim was fair. IPA had understandable concerns with the invoice and in any event, it wasn't required to pay anything towards the repairs under the terms of Mr S's policy. So, by paying Mr S £250 towards the cost of the repair, I think it has treated him fairly. For this reason, I'm not asking IPA to do anything else to put things right.

My final decision

For the reasons set out above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 August 2020.

Hannah Wise
Ombudsman