

## **The complaint**

Mr W is upset by the way Amtrust Europe Ltd (Amtrust) handled his claim under his home insurance policy.

Reference to Amtrust also includes its agents where applicable.

## **What happened**

In 2019 Mr W reported that his heating system had broken down and Amtrust sent out an engineer to carry out the repairs. He diagnosed that a new controller was required. Unfortunately, the faulty part had been discontinued, which meant that the functioning parts of the boiler would need replacing as the system wouldn't work with an alternative controller.

Amtrust relied upon the policy's terms and conditions and said that Mr W would have to meet the cost of the functioning parts but as a goodwill gesture, it would pay £150 towards the cost of the repairs. Mr W was initially told that he would have to pay around £791 for the repair which was later reduced to £300 when Mr W challenged this cost.

Mr W felt compelled to pay the £300 as he wanted heating restored to his home not least because of his age and his health issues. Mr W complained to Amtrust that he shouldn't have been charged £300 as his policy covers the repair and all he should've paid was the excess of £50.

Amtrust didn't agree with him and so Mr W referred his complaint to this service.

Our investigator upheld the complaint and found that Amtrust hadn't acted fairly. He said that the policy failed to define what Amtrust's standards were and as such it was unfair for Amtrust to rely upon them. He also said that the parts didn't constitute an upgrade and asked Amtrust to pay £350 in total which was the overpayment made by Mr W (£250) less his excess and £100 for the trouble and upset caused.

Amtrust didn't agree with our investigator and asked for a decision from an ombudsman.

## **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 will uphold this complaint. I will now give my reasons why.

From the evidence I can see that Amtrust said that the controller was obsolete. And because the controller was obsolete it meant that the working parts inside the boiler wouldn't be compatible with any other controller. Mr W said he felt forced to pay to have the working parts changed so that his boiler could work again.

I have been provided with the terms and conditions of the policy. At section 10.3 it says:

*"If we are unable to source spare parts from our approved suppliers, we will replace your boiler with one of a similar specification, provided your boiler is less than seven years old."*

Amtrust had said that the replacement of the controller amounted to an upgrade and in order for Mr W's boiler to comply with its standards; he would have to be responsible for the replacement of the functioning parts. So, it said it had fulfilled its obligations by having changed the controller.

Having looked at the policy, I don't agree. It is clear from Amtrust that the controller was obsolete although when it became obsolete is unclear. But from the evidence, the controller is an integral part of the boiler and as such the boiler couldn't function without it.

Section 10.3 of the policy makes it clear that where spare parts couldn't be found, Amtrust's obligations were to provide Mr W with a boiler of a similar specification as long as the boiler was less than seven years old. Given that the boiler couldn't function without a controller, I'm not persuaded that the repairs were an upgrade.

Amtrust have confirmed from its agents that it initially installed Mr W boiler. It confirmed the make and model as well as the date and age of the boiler. At the time of the event, the boiler was 6 years old. As such, its replacement was covered by the policy terms.

I have next considered whether the controller would be covered under the terms of the policy. In the policy it says that it allows for: *"repairs to your boiler and controls including the thermostat and programmer, parts labour and unlimited call outs"*. So I think that Amtrust haven't acted fairly by not applying the terms of the policy to this claim and offering to replace the entire boiler once it found that the controller was obsolete.

### **Putting things right**

I agree with our investigator in that Amtrust have overcharged Mr W for the work carried out. I am satisfied that Amtrust should've changed the boiler as the controller was clearly an integral part of the system without which the boiler couldn't work. I accept that the part was obsolete.

I'm satisfied that the policy covers the boiler and the controller. So it's seems to me that the replacement of the controller and any parts dependent on it should have been considered as falling squarely within the policy terms. I can see nothing that excludes or limits that cover in this case.

To put things right, Mr W has indicated that he will be satisfied with the recommendation made by our investigator. This is that Amtrust reimburse him for the overpayment he made and pay him £100 for the trouble and upset caused. Although I am satisfied that the policy provides that Amtrust should replace the boiler Mr W has indicated that as his current boiler is working perfectly well, he wouldn't want the upheaval and stress caused by replacing it now.

So I think that Amtrust should refund Mr W £250 as this was the overpayment he made less the excess. In addition, given the stress and inconvenience caused to Mr W taking into account his ill health, his age as well as the need to keep warm, compensation of £100 is a fair and reasonable level of compensation.

Finally, I understand from Amtrust that Mr W is no longer a customer of theirs. But it has confirmed that if Mr W wanted to return as a customer, it would treat him fairly in any future claims he may have.

## **My final decision**

My final decision is that I uphold the complaint, for the reasons given.

- Amtrust Europe Limited should pay Mr W a total amount of compensation of £100 for the distress and inconvenience caused.
- Amtrust Europe Limited should refund Mr W £250 for the overpayment.

Amtrust Europe Limited must pay the compensation within 28 days of the date on which we tell it Mr W 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 W to accept or reject my decision before 5 August 2020.

Ayisha Savage  
**Ombudsman**