

The complaint

Mrs S and Mr S are unhappy that Allianz Global Assistance (Allianz) declined their home emergency claim.

What happened

Mrs S and Mr S had a home emergency policy with Allianz, which included cover for their primary heating system. Their son, Mr S, dealt with the complaint on their behalf, so I shall refer to him throughout my decision.

Mr S contacted Allianz to say the heating wasn't working. He'd noticed that the pressure wasn't adequate and a valve that allows pressure to be added was blocked or broken. Allianz asked whether the boiler had been serviced within the last 24 months. Because Mr S couldn't provide any evidence that it had, Allianz declined the claim.

Mr S complained to Allianz because he thought it was irrelevant whether the boiler had been serviced.

Our investigator didn't uphold the complaint. While there had been an insured peril, she thought Allianz had fairly relied on the exclusion clause which meant cover was not available.

Mr S disagreed. He remained of the view that the boiler service issue was irrelevant.

The complaint was passed to me to decide.

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.

While I realise Mr S will be disappointed, I've decided not to uphold his complaint for broadly the same reasons as our investigator. I'll explain.

There's no dispute about the actual event – a faulty valve feeding the boiler stopped pressure being added and caused a complete loss of central heating. The issue is that Allianz declined Mr S's claim even though he maintains it's an insured peril under the home emergency policy:

“What is covered

Primary heating system

- *Complete failure or breakdown of either the heating and/or hot-water supply provided by the primary heating system.”*

Allianz declined the claim because it thought an exclusion clause applied:

“What is not covered

- *Claims where you cannot provide written evidence that the primary heating system has been serviced within the last 24 months.”*

When Allianz investigated Mr S’s claim, he wasn’t able to provide evidence that the boiler had been serviced. Allianz hasn’t disputed that there was a fault, but it declined the claim because Mr S wasn’t able to show that he’d met the terms of the policy. I think the policy terms are clear – Allianz won’t cover a claim unless written evidence of a service within the last 24 months is provided. So, I think it was fair for Allianz to rely on the exclusion clause and decline Mr S’s claim.

However, Mr S disagrees with Allianz’s use of the exclusion clause. He says that even if the boiler had been serviced, the valve wouldn’t have been checked and the fault would still have caused the loss of heating.

I’ve thought carefully about what Mr S says and I understand the point he’s making. But his policy is for the primary heating system which isn’t limited to the boiler. The policy defines the primary heating system as:

“The main heating system in your home, including a domestic boiler... This includes both the central heating and/or hot water systems and extends to:

- *the programmer;*
- *the central heating pump;*
- *thermostats; and*
- *radiators.*

Your central heating boiler should be properly installed and repaired, in accordance with the manufacturer’s recommendations and serviced and maintained at least every 24 months.

Written confirmation of your last boiler service may be required in the event of a claim”

So, when thinking about whether the valve is part of the heating system, I think it’s fair to say it is. That’s because the fault is in the valve which feeds the heating system and, therefore, has a direct impact on it. If the boiler had been serviced and the valve was faulty, then I think it’s more likely than not that the service engineer would’ve identified that. So I don’t agree that the boiler service requirement is irrelevant as Mr S claims.

When making a claim, it’s Mr S’s responsibility to show an insured peril has occurred. I think he has, and I don’t think Allianz disputes that. It is then Allianz’s responsibility to accept the claim unless it can demonstrate that an exclusion clause applies. I think it has done that, here. So, I’m satisfied that it was fair for Allianz to decline Mr S’s claim. I won’t be asking it to take any action in respect of the claim.

My final decision

For the reasons given above, my final decision is that I don’t uphold the complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs S and Mr S to accept or reject my decision before 11 December 2020.

Debra Vaughan
Ombudsman

