

The complaint

Mrs V complains that Admiral Insurance (Gibraltar) Limited (Admiral) repaired her boiler with used parts, causing irreparable damage.

What happened

Mrs V had home insurance with Admiral, including home emergency cover. She made a claim under her policy after noticing an error code on her boiler. Admiral attended and told Mrs V it would need to order parts. Mrs V understood Admiral would be going back the next day, but it arrived to complete the repair a few days later.

During the repair visit, the engineer replaced two parts, but further error codes appeared on the screen. The engineer told Mrs V that the problem was with the printed circuit board (PCB). Admiral said the cost to replace the PCB for a boiler that age would mean it wasn't worth repairing. Admiral told Mrs V she'd need to pay for the PCB replacement because she'd reached the limit of her cover, or buy a new boiler.

Mrs V was unhappy with Admiral's response. She said the engineer damaged the PCB so she didn't think she should have to pay for the repair or a new boiler. Mrs V also complained that the parts it had fitted weren't new. Admiral denied that it had fitted used parts, but it offered Mrs V £200 because the cause of the PCB damage wasn't known. It remained of the view that the boiler was still beyond economical repair (BER).

Our investigator thought Admiral had dealt with Mrs V's claim fairly and in line with the policy terms. There was no conclusive evidence that the parts Admiral fitted were used or that the engineer had damaged the PCB.

Mrs V didn't agree. She didn't think she could've reached the limit of her cover; she maintained that Admiral fitted used parts, and that the engineer damaged the PCB.

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 Mrs V will be disappointed with my decision, I've decided not to uphold her complaint for broadly the same reasons as our investigator. I'll explain.

PCB and new boiler

Mrs V says Admiral's engineer damaged her PCB when carrying out repairs to her boiler. Because of the cost to replace the PCB, Admiral deemed her boiler BER. Mrs V is unhappy that she had to pay for a new boiler.

There doesn't seem to be any dispute that the PCB was damaged while the engineer was working on the boiler, but the exact circumstances are unclear. Admiral didn't fully

investigate the circumstances so, for that reason, it offered Mrs V £200. I see that Admiral would've charged less than £200 to replace the PCB, so I think the offer is fair and covers Mrs V's direct loss.

Mrs V thinks that if Admiral hadn't damaged the PCB, she wouldn't have needed to install a new boiler, so she wants Admiral to cover the cost. Mrs V's boiler was old, and Admiral deemed it BER rather than replace the PCB at a cost of under £200. It had also replaced two parts and reported that further fault codes appeared during the work, before the PCB was damaged. This suggests to me that the boiler was approaching the end of its economic life anyway so, on balance, I don't think any damage Admiral might've caused has increased Mrs V's loss. I've looked at the policy and I can see that Admiral doesn't offer a contribution towards a new boiler:

"We will not contribute towards the cost of a replacement boiler if your boiler...is deemed beyond economical repair."

While I realise Mrs V might not have been expecting to buy a new boiler at that point, I can't see any reason to ask Admiral to contribute towards it. It paid Mrs V £200 to cover the PCB damage, and she replaced rather than repaired her boiler. So, I'm satisfied that Admiral responded to this issue fairly.

Used parts

Mrs V replaced her boiler after Admiral confirmed it was BER. Because Admiral had only recently fitted two parts, she asked the third-party plumber to remove them so she could offer them for sale. The job report states that the parts didn't look new because of the limescale build up. Mrs V supplied photos of the parts in support of her complaint, but Admiral says it ordered in parts for the job, so they would've been new.

I've thought carefully about this issue, but I'm not persuaded that Admiral did anything wrong here. Firstly, the policy does not state that Admiral will repair the boiler using new parts.

"Availability of parts is an important factor in providing emergency repairs. If our engineer does not carry the parts needed on the day of your appointment, we will do all we reasonably can to find and install parts from our approved suppliers."

"We may not replace parts on a like for like basis but will provide a suitable alternative for containing the emergency. However, there may be times when replacement parts are delayed because of circumstances beyond our control."

That said, I appreciate that Mrs V would've had a reasonable expectation that the parts would be new. Looking at Admiral's contact notes, I've seen that it couldn't arrange a visit to fit the parts the next day because it was taking a little longer to arrive. This suggests to me that Admiral ordered new parts. I'm not doubting the third-party engineer's comments about the parts not looking new. But as they'd been sitting in hard water in an unused and old boiler, I think Admiral's view that the parts wouldn't have looked brand new is reasonable.

The evidence here persuades me that it was more likely than not that Admiral fitted new parts. But, even if Mrs V's view is correct and used parts were fitted, the repair was still carried out in line with the policy terms.

Cover limit

Mrs V had a limit of £500 for emergency cover. She didn't think she could possibly have reached that amount because she thought Admiral used second hand parts and labour wouldn't have cost very much. Admiral provided an explanation of how the cover had reached a little under £500 before taking into consideration the PCB cost. Mrs V told us that

she didn't think the costs were accurate, but she didn't give a reason for her opinion other than to say used parts would've been much less expensive than new parts. As I've already decided that there's no conclusive evidence that Admiral fitted used parts, I have no reason to doubt the costs it evidenced for work already completed. Once Mrs V reached her cover limit, Admiral had no further responsibility to provide parts and labour under the policy. So I don't think it did anything wrong by telling Mrs V any further work would be chargeable.

In summary, Admiral repaired the boiler up to the policy limit, deemed it BER, and offered Mrs V £200 in recognition of the uncertainty around the damaged PCB. In the circumstances, I think it made a fair offer and I see no reason to ask Admiral to do any more.

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 V to accept or reject my decision before 26 March 2021.

Debra Vaughan
Ombudsman