

The complaint

Mr S has complained about his let property insurer Liberty Mutual Insurance Europe SE because it declined a claim he made when he had to replace an electric boiler.

What happened

Mr S lets a property which is managed for him by agents. Neighbours reported an issue with the overflow and the agent arranged for a plumber to attend. The issue was to do with a failed valve allowing water to pass through from the boiler to the overflow when it shouldn't. A part was ordered but there was a delay due to the time of year. Further problems then occurred and ultimately the boiler was found to be damaged and in need of replacement.

Mr S contacted Liberty. He said the plumber had caused the damage to the boiler by not isolating the boiler when he capped off the water supply as a temporary fix whilst the part was on order. He felt Liberty should be liable under his accidental damage cover on the policy for what he felt was the plumber's accidental mistake. Liberty made enquiries with the managing agent, the plumber and the replacing contractor. Upon considering the responses received Liberty declined the claim as it felt the boiler had needed replacing because it was old and/or because an electrical fault had caused the damage. It indicated it would re-consider if Mr S could provide a cause of damage report showing what had caused the boiler to fail.

Mr S was unhappy. He complained to us.

Our investigator felt Liberty had assessed the evidence available to it in light of the policy terms. He thought the terms had been applied fairly so he didn't uphold the complaint.

Mr S was disappointed. He sent further evidence which he felt showed the plumber had been at fault and that the boiler had been damaged as a result. Our investigator considered the information and explained to Mr S this didn't change his view on the complaint.

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.

I understand Mr S believes he knows what happened here. And I've considered the evidence he provided which he thinks shows the plumber was at fault, causing the damage. But none of this gives me cause to think Liberty has acted unfairly in declining the claim.

Mr S's policy offers cover for accidental damage. It defines this as:

“physical damage caused suddenly, unexpectedly and not through wear and tear, breakdown or malfunction.”

It is for Mr S to show that, on the face of it, he has a loss which meets this definition. If he can show that then Liberty will have to settle his claim unless it can show the definition has not been met or that a policy exclusion applies to defeat the claim.

Mr S says the plumber was at fault for not isolating the boiler. And that the failure to isolate the boiler caused the problems which led to the need for its replacement. Mr S's evidence in this respect is, in essence, the chain of events which unfurled, some photos of the system taken during the initial plumbing repairs and some emails with the managing agent which reflect what the managing agent says the plumber told them. There is an invoice from the replacing contractors but this didn't detail what had caused the problem which led to the need for replacement.

Liberty, having seen this evidence, wasn't convinced it was liable for the loss. It noted that the agent had said:

"....your system is a very, very old system. This gives good justification as to what has occurred."

Liberty felt this was indicative of damage having occurred due to wear and tear. But it made some further enquiries. The original plumber didn't reply to it, but the replacing contractor did. They said either the element or board had caused an internal fire in the boiler but they couldn't say why. They later told Liberty the fire had resulted from an electrical fault.

Given the evidence Liberty saw and the cover offered by the policy, I think it was fair for it to decline the claim. I can't fairly say it should take Mr S's word as to what he believes must clearly have happened over the expert view it obtained from the contractor that replaced the boiler. On balance I don't think Mr S has shown he has a loss which is likely covered by the policy. Furthermore, in contrast, I think Liberty has shown that the loss suffered most likely falls outside the definition of cover. I'm not going to require it to review its position.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 February 2021.

Fiona Robinson

Ombudsman