

The complaint

Mr W complains Great Lakes Insurance SE unfairly refused a claim on his motorhome warranty.

What happened

In 2019 Mr W took out a Great Lakes 'silver' level motorhome warranty. In July 2020 he made a claim. There was a problem with the combi boiler in his motorhome. The faulty part was obsolete. So a new boiler was required. But Great Lakes refused the claim. It said the faulty part wasn't listed in his policy terms as a covered part.

Great Lakes responded to Mr W's complaint. It said its decision to refuse his claim was correct. It said the fault had been due to a '...wiring harness with coils from the PCB to the gas valve'. It said wiring is excluded by the policy terms and isn't listed as a covered part.

Mr W provided various engineers reports to this service. He disagreed that the wiring harness was the faulty part. Our Investigator forwarded Great Lakes Mr W's reports. It said it still felt fault the wiring harness was faulty. And as that part isn't listed as a covered part it continued to refuse to pay the claim. Our Investigator said Great Lakes had fairly refused the claim. Mr W didn't accept that, so the complaint was passed to me for a decision.

I previously explained to Great Lakes, and Mr W, that I intended to require it to settle his claim. He seemed to accept my proposal. Unfortunately, Great Lakes didn't. So I've set out below why I feel the claim should be paid and what I require Great Lakes to do.

This decision only considers issues that are the responsibility of the provider of Mr W's cover, Great Lakes. He's also raised various complaints point about the sale of the policy. Those would need to be considered in a separate complaint against the firm that sold him the policy.

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.

The policy covers listed items against 'Mechanical Breakdown'. Mr W's combi boiler stopped working. It seems the wiring harness needs to be replaced to make a repair. This particular component is unfortunately obsolete. Great Lakes refused the claim as it says the wiring harness isn't an item listed as covered by Mr W's 'Silver' policy.

One part of the policy terms lists the parts it covers. It refers to 'parts covered' and later 'items...covered'. I accept 'wiring harness' isn't a listed part or item. However, the combi is gas powered to provide hot water and heating to Mr W's motor home. And both 'water heater' and 'gas heater' are listed as covered items – under the headings of 'Water system' and 'Heating system' respectively.

Therefore, the combi itself, as both a 'water heater' and 'gas heater' seems to be an item or part specifically listed as covered under either the 'Water system' or 'Heating system' sections. So the absence of 'wiring harness' doesn't seem a fair reason to refuse Mr W's claim.

I previously explained this to Great Lakes. It failed to respond to my point that 'water heater' and 'gas heater' are mentioned as listed parts or items. It didn't provide anything that changed my position.

It seems, based on what I've seen, the combi experienced a sudden mechanical breakdown as defined by the policy. The failure seems to have been sudden and unforeseen. There seems to have been a permanent electrical or electronic defect causing stoppage of its function. And repair or replacement is required before normal operation can resume.

I note the policy says '*If the part is no longer available, it will be the insurer's responsibility for the cost of the original failure only and not the cost of the replacement unit*'.

Unfortunately, the component required for a repair to the combi isn't available. However, the item or part specifically listed as covered is the combi itself ie water heater or gas heater. So I think it's fair and reasonable to consider the covered 'part' to be the combi itself rather than the individual damaged component. So to settle the claim it will be fair for Great Lakes to cover the cost of replacing the damaged item itself, the combi.

It seems likely to me the exact model will no longer be available. Mr W says he has been quoted £1,800 to replace the combi. However, the policy has a claim limit of £1,000. So Great Lakes will only need to settle the claim up to that amount. It will need to do that on receipt of evidence to show Mr W has completed and paid for the works.

Mr W initially made this claim in the summer of 2020. I think it's likely if Great Lakes had fairly settled the claim within reasonable time he would have had the repairs completed some time ago. So Great Lakes failure to do so has caused him to unnecessarily be without hot water and heating in his motorhome for much longer than he would have otherwise. I think it's likely this has caused unnecessary inconvenience and distress. So to recognise this I intend to require Great Lakes to pay him £200 compensation.

My final decision

For the reasons given above, Great Lakes Insurance SE will need to pay Mr W:

- £1,000 towards the cost of repairs (on receipt of evidence they have been made and paid for) and
- £200 compensation for the unnecessary distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 21 June 2021.

Daniel Martin

Ombudsman

