

The complaint

Mr R complains that Astrenska Insurance Limited mishandled his claim on a landlord's home emergency insurance policy.

What happened

Mr R had a property that he let to a tenant – a young mother with small children. He had a landlord's home emergency policy for the property. Astrenska was the insurer responsible for dealing with claims. Where I refer to Astrenska, I include engineers and others insofar as I hold Astrenska responsible for their actions.

On 19 November 2020, the tenant reported that the central heating boiler wasn't providing heat or hot water. Mr R called Astrenska for help. It inspected the boiler and declined the claim. It said the boiler was Beyond Economical Repair (BER). On about 20 November 2020, Mr R complained to Astrenska that it should contribute to the cost of a boiler.

Within about a week, Mr R got a heating company to install a new boiler at a cost of about £2,000.00

By a final response dated 4 December 2020, Astrenska turned down the complaint. It quoted the policy limit of £500.00 and a policy term that excluded replacement of any boiler if repair or reinstatement is not possible due to the non-availability of parts. Mr R brought his complaint to us in mid-December 2020.

Our investigator didn't recommend that the complaint should be upheld. She didn't think that Astrenska was unfair in declining Mr R's claim.

Mr R disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- Different engineers have expressed different views in other cases.
- So Astrenska's engineer could give whatever view he liked.

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.

Mr R's policy with Astrenska provided that it would remove an "*Emergency*" including an unexpected event that would leave the property without "*Main Services*". That included loss of the main source of heating or hot water where no alternative exists.

Some home emergency insurance policies exclude boiler repairs where the boiler is BER. Some policies provide a contribution or a discount towards a new boiler. Mr R's policy with Astrenska didn't contain such provisions. But Astrenska has said there was a policy limit of

£500.00. Mr R hasn't disputed that. So I find that the policy didn't cover repairs that were going to be more expensive than £500.00.

Astrenska received a report as follows:

"Boiler is in very poor state, initially found that the fan is running rough and not making aps. Inner burner door seal looking shabby but just about passable. Pcb has heat damage could be faulty, wiring has rodent damage throughout. Droppings found in pcb cover. Pcb cover also been bodged. Diverter diaphragm leaking. Replace all of the before further tests of repair is to be done. Strongly recommending BER as so many parts needed".

From that, I find it likely that the boiler needed a new fan, printed circuit board, wiring and diverter diaphragm. And I find that the engineer thought the cost of all that meant that the boiler was BER.

Astrenska didn't get an estimate of the costs of repair. It has told us that no quote was sought or provided.

And there's no evidence that any of the necessary parts were unavailable. So the final response was incorrect to quote the policy exclusion relating to unavailability of parts. I don't condone such a mistake in a final response.

However, I find it more likely than not that the costs of parts and labour to repair the boiler would've been more than £500.00. In any event, I can't say that Astrenska was incorrect that the boiler was BER. Mr R hasn't provided any evidence that the boiler would've been economic to repair.

Mr R has reminded us that there were pandemic restrictions in place. But he didn't pay Astrenska's engineer to install the new boiler. He contacted a different heating company.

That company must've looked at the old boiler and had a discussion with Mr R before replacing it. So I consider that Mr R had an opportunity for a second opinion on his boiler. And he took the decision that the time had come for him to get a new boiler for the property and for the tenant. So I don't find it fair and reasonable to direct Astrenska to contribute towards the cost of the new boiler.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Astrenska Insurance Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 28 April 2021.

Christopher Gilbert
Ombudsman