

The complaint

Ms N's complained that Great Lakes Insurance SE didn't replace her boiler under her boiler protection policy.

What happened

In the second half of 2019, Ms N bought a policy online from Great Lakes to cover her against boiler breakdown. She agreed to pay for the policy by monthly direct debit.

At the end of March 2020, Ms N's supply of hot water failed. So she contacted Great Lakes to have the issue fixed under the terms of the policy. She told Great Lakes that she was vulnerable and had been advised to shield due to the Covid-19 pandemic. And her condition was made worse by a lack of hot water.

Great Lakes arranged for an engineer to go to Ms N's property the next day and diagnose the problem. The engineer told Ms N what had to be done to restore her hot water supply. But his report to Great Lakes confirmed Ms N's appliance was a gas water heater – not a boiler.

Great Lakes said the policy didn't cover this type of appliance – only standard domestic boilers and their controls. So they wouldn't cover replacement of Ms N's water heater.

Ms N complained about Great Lakes' decision to decline cover, their selling of the policy and their customer service. Great Lakes considered her complaint and rejected the complaints about their decision and customer service. They referred her concerns about how the policy was sold to their customer services department to look at. And they cancelled her policy

Ms N wasn't satisfied with Great Lakes' response and brought her complaint to us. She told us she thought Great Lakes should apologise for providing misleading information, refund her premiums and pay her compensation equivalent to the cost of replacing the water heater and making good the surrounding decoration.

Our investigator considered it and concluded Great Lakes shouldn't have done anything differently. She said it was clear the policy covered only standard domestic boilers. And this wasn't what Ms N had – so she couldn't say Great Lakes should cover the cost of repair or replacement. And she didn't think it was fair to say Great Lakes should refund the premiums Ms N had paid, because they were less than the costs Great Lakes had incurred to send an engineer to her home to inspect the heater.

Ms N didn't agree with our investigator's view. So I've been asked to make a decision.

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.

Having done that, I'm not upholding Ms N's complaint. I'll explain why.

The key point here is the type of appliance installed at Ms N's property. She's referred to it throughout as a boiler and it's clear that's what she believed it was. So I can understand why she bought a policy which covered standard domestic boilers.

Unfortunately, the engineer who inspected her appliance when she tried to make a claim recorded that wasn't what she had – rather, it was a gas water heater. And those aren't covered under the policy. So it wouldn't be fair for me to decide that Great Lakes should compensate Ms N the amount it cost her to replace the heater as it would effectively be directing them to pay the claim.

Ms N's told us that she thought the policy wording wasn't clear about what was covered. I've thought about this. Ms N bought the policy online. The documentation she received when she'd completed her purchase is clear that she should read everything carefully, to check it met her needs.

Great Lakes have supplied copies of what customers see when they buy on the website. There's a section headed "*Eligibility*" which requires customers to agree that several statements are true – including:

"My boiler is a standard domestic boiler, powered by natural gas and is not LPG, oil or another heating system".

As I said above, it's my understanding that Ms N believed her boiler fitted these criteria. But the documents made it clear it was her responsibility to check the policy was suitable for her – including whether she'd properly understood the definitions. While I'm sorry she was left in the position she was, I don't think that was Great Lakes' responsibility – so it wouldn't be fair for me to say they should pay Ms N compensation.

I've also thought about Ms N's concerns about how her complaint to Great Lakes was dealt with. I've seen that she raised a complaint two days after her initial call to lodge a claim under the policy. Great Lakes responded the following day.

It's clear that Ms N wasn't satisfied with Great Lakes' response. But businesses must investigate complaints and write to customers with the results of that investigation. They're not required to agree they've done something wrong. If customers aren't satisfied, they have the option – as Ms N has done – to refer their complaint to our service. So I'm satisfied from what I've seen that Great Lakes did address Ms N's complaint.

I've seen Ms N wanted Great Lakes to refund the premiums she paid for the policy. But, as I've said, it's not Great Lakes' fault she bought a policy that wasn't suitable. I can see that Great Lakes have considered that request. But they retained what she'd paid, because it cost them more than that to send an engineer to Ms N's home. I think that reasonable. So I don't think Great Lakes need to do anything more to resolve her complaint.

My final decision

For the reasons I've explained, I'm not upholding Ms N's complaint about Great Lakes Insurance SE.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 25 June 2021.

Helen Stacey
Ombudsman