

The complaint

Mr T says he was mis-sold a Home Emergency policy by Homeserve Membership Limited. He says the company told him his boiler wasn't covered several months after the policy was set up.

What happened

Mr T took out a policy with Homeserve in April 2020. This included cover for his boiler and heating system. It also provided cover for plumbing, electrical breakdown, roofing, drains, pest cover and other issues.

In August an engineer attended his property to carry out a boiler health check. This was a requirement of the policy. At the time of the visit Mr T says the engineer refused to examine the boiler, saying the company no longer covers back boilers. Mr T says the engineer then left his property.

Mr T was subsequently told the boiler was not covered because it was in a poor condition. He says the engineer cannot have known this as he did not examine the boiler.

Mr T says he made Homeserve aware he had a back boiler when the policy was agreed. He says he would not have bought the policy if he was aware the boiler was not covered. Mr T says he has not benefitted from the other cover not related to the boiler. He wants an apology and a refund of all his premiums.

Homeserve did not uphold Mr T's complaint. It says the boiler was found to be in "*a generally poor condition*" at the time of the health check. It also says that some of the boiler parts were now obsolete. In these circumstances it says the policy terms mean the boiler aspect of the cover should be cancelled, and premiums refunded.

Homeserve says Mr T requested the additional cover not relating to the boiler. It says he has benefitted from the cover having been in place, in the event it was needed. It says it will not agree to a refund of these premiums.

One of our investigators looked into the matter, he decided not to uphold Mr T's complaint. He concluded Homeserve had acted in-line with the policy terms, when cancelling the boiler cover and refunding the premiums. This is because the boiler was in poor condition and some parts were obsolete, not because it was a back boiler.

The investigator concluded it was Mr T's choice to buy the other elements of the policy. As cover had been in place, he decided a refund of these premiums was not warranted.

Mr T disagreed with the findings and asked for an ombudsman to review the case.

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'm not going to uphold Mr T's complaint and I'll explain why.

Mr T says Homeserve decided it could not provide cover because he had a back boiler. He says it was made clear he had this type of boiler, when he arranged cover online via a price comparison website. I do not doubt Mr T's recollection of his discussions with the engineer or the information provided at the outset.

However, I am satisfied the decision to remove the boiler cover, was not linked to the type of boiler Mr T had in place. I will explain below.

There is an internal record from Homeserve, which shows a decision had been made to remove cover for back boilers for new customers. The note confirms this was to happen from July 2020. However, Mr T's policy was put in place in April 2020. This means his boiler was covered.

The policy terms say a boiler health check must take place within the first year of the policy. The policy was agreed in April 2020 and the engineer visited in August 2020 to do this. Page 13 of the terms say:

"the engineer will check that your boiler meets our eligibility criteria, your boiler or central heating don't have any pre-existing faults and is in good working order. If the BHC (boiler health check) fails we'll either:

Tell you what needs to be done to fix it – and how much it'll cost if it's a repair we can complete;

- Remove the boiler/system element of cover from your policy and adjust your premiums accordingly;*
- Or, cancel your agreement if you only have cover for your boiler/system and provide a refund."*

When the engineer attended Mr T's property in August 2020, he completed a worksheet. The worksheet confirms the boiler type, flue type, make and model number, whether a cylinder was installed, its condition, plus other entries, including the tests required as set out on the form.

I acknowledge Mr T's recollection that no examination of the boiler took place. But the detail included in the completed worksheet does indicate the engineer carried out an inspection.

Homeserve's system notes show the engineer was contacted in October 2020, for further comments following Mr T's complaint. The response says, *"Yes I failed it because it's a old glow worm bbu in poor condition and some parts are obsolete too."*

Based on the records provided, the poor condition of the boiler and the fact that parts were obsolete was the reason the cover was cancelled. The policy terms determine the boiler cover will be removed in these circumstances. This is what happened here.

In its final response letter Homeserve made clear that the cover had been cancelled for the above reasons. I cannot independently verify the conversation between Mr T and the engineer regarding the back boiler. I don't doubt Mr T's recollection on this point. However, I am satisfied the boiler cover was cancelled for reasons of poor condition and obsolete parts, not because it was a back boiler.

As the reasons for cancellation relied upon by Homeserve are stated in the policy terms, I am satisfied that it has acted fairly. Because of this I am not upholding Mr T's complaint.

My final decision

For the reasons I've given above, I'm not upholding Mr T's complaint about Homeserve Membership Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 27 August 2021.

Mike Waldron
Ombudsman