

## **The complaint**

Mrs M complains that Amtrust Europe Limited wouldn't repair her boiler after she made a claim on her boiler service and breakdown policy.

Mrs M has been represented by her son throughout some of her complaint. However for ease of reading, all references to Mrs M include the actions of her son.

## **What happened**

Mrs M had a home services policy with Amtrust to cover the breakdown and annual service of her boiler.

In March 2021 she made a claim on the breakdown cover as the boiler wasn't working. Amtrust sent an engineer to inspect the problem. They concluded that the heat exchanger had broken and needed replacing. He contacted the manufacturer for a quote and on obtaining this, concluded the boiler was beyond economic repair.

Amtrust subsequently declined Mrs M's claim. It said as the boiler was beyond economic repair, then the policy doesn't provide cover for a repair. It returned her remaining policy premiums and offered £250 towards the cost of a new boiler.

Mrs M didn't think this was fair. She said she felt the problem had been caused by the most recent service, carried out in October 2020. So she thought Amtrust should pay to replace the boiler. She made a complaint.

Amtrust didn't uphold her complaint so she brought it to this service.

Our investigator didn't recommend the complaint be upheld. He said he thought Amtrust had applied the terms and conditions of the policy fairly and offered a reasonable settlement. So he didn't think it should do anything differently.

Mrs M didn't agree, so the complaint has come to me to decide.

## **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.

Mrs M has said that she thinks Amtrust caused the problem she is claiming for when it carried out her annual service. And she doesn't think it has applied its terms and conditions fairly.

Amtrust has provided reports from the last service and the more recent visit relating to Mrs M's claim. I can see that there were issues identified during the service. And that these issues weren't resolved immediately. However the air vent and the pump were eventually replaced, so the issues found at the service were resolved.

Further, the problem causing the fault with the boiler Mrs M made a claim for was in relation to the heat exchanger. And this is a separate part to those replaced after the service. So I've not seen any evidence that the problem was linked to the service in October 2020.

I have also considered whether Amtrust dealt with Mrs M's breakdown claim fairly and reasonably. When the problem was identified, Amtrust sought a quote for the cost of a replacement part. The repair cost was going to be £649 and Amtrust said this would be more than the cost of replacing the boiler, which is why it wouldn't be covered under the policy.

The policy states as follows:

*'if spare parts are available but, in our opinion, your System is considered to be Beyond Economic Repair then we will offer you a contribution, at our discretion, towards a new boiler.'*

And defines 'Beyond Economic Repair' as:

*"Beyond Economical Repair is when we deem the cost of parts required to repair your boiler exceeds its current value based on its age and condition."*

Amtrust has explained that Mrs M's boiler is around seven years old and isn't in a good condition. I've considered the photo it has provided and the report from its engineer, and based on this I think it's made a fair decision that is in line with the policy cover. As it seems most likely that the cost of the repair would be greater than the value of the boiler.

Mrs M has also raised concerns about the settlement that has been offered. She's said that £250 isn't a fair contribution towards a new boiler as this can cost thousands of pounds. While I appreciate boilers can be expensive, it isn't the purpose of the policy to provide a replacement boiler, but instead to maintain and repair the existing one. Therefore it's fair that the settlement will be based on the value of Mrs M's boiler, rather than the value of a new boiler. For this reason I think the contribution offered by Amtrust is fair and reasonable in the circumstances.

### **My final decision**

For the reasons I've given, I don't uphold Mrs M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 11 August 2021.

Sophie Goodyear  
**Ombudsman**