

The complaint

Mr S complains Esure Services Limited (“Esure”) mis-sold him a home emergency policy.

What happened

The background of this complaint is well known to all parties so I’ve summarised events.

- Mr S took out an Esure home emergency policy in 2019.
- In September 2020 his boiler stopped working and made a claim under the home emergency cover. This was investigated and subsequently declined as he was told the boiler was beyond economical repair (“BER”) – meaning the repair cost was more than the value of the boiler.
- A complaint about this claim was subject to a separate decision by our service. Within my final decision, I instructed the insurer to pay £500 towards the cost of a new boiler, and to pay £250 in compensation for distress and inconvenience caused.
- Mr S says Esure mis-sold the policy as it never highlighted that boilers of a certain age would not be covered by the policy – which he had specifically asked about and not been told. And he said the service offered was a 24 hour service but the reality when making a claim was a repair took between one to five days.
- Esure considered the complaint and said it hadn’t mis-sold the policy. And it said the policy documentation made clear what cover was available.
- Our investigator considered the complaint and didn’t uphold it. She said within the call recordings of the 2019 sale and 2020 renewal no discussion of the age of the boiler took place. And the policy at those times had no exclusion in place (although a term related to boiler age was since introduced in early 2021). The investigator said the policy documentation was clear and Esure had met its obligations.
- Mr S disagreed, so the complaint has been passed to me for an ombudsman’s final 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 so, I’m not upholding this complaint. Mr S has said the policy was mis-sold. And specifically he’s mentioned Esure failed to highlight to him that the age of his boiler would factor into the cover he received.

The policy terms do not specify any particular age limit on boilers that the insurer will or will not cover. So, I’ve looked at the policy definition for BER which says:

“... where We estimate that the cost of repairing Your primary heating and/or hot water system would be more than its current value, or, that We are unable to obtain spare parts to repair it. There are conditions and exclusions, listed below. Please read them carefully to ensure this cover meets Your needs. We do not wish You to

discover after an Emergency has occurred that it is not covered under this section of the policy.”

The policy also says it will not cover “*Repair or replacement of boilers that have been declared as Beyond Economical Repair by Our Authorised Contractors...*”

I’m satisfied these terms are clear. And that boilers may be determined as BER by the insurer’s authorised contractors for a range of reasons. In practice, I think it’s understandable the age of the boiler would be a practical factor when considering whether parts are available.

I’ve considered whether this was made clear to Mr S. He hasn’t disputed he received a copy of the schedule or policy book that contain these terms. But he’s said he was mis-led about the exclusion in a phone call before this, having taken out the cover on the phone after finding the policy on a comparison site.

So, I’ve listened to this sales call. Mr S told us he specifically asked within this call if the age of his boiler would impact cover. However, I don’t agree this topic was ever discussed. Nor was this an exclusion at this time anyway. I also note the adviser explains the policy book and paperwork will be sent across shortly after the call and asks him to please read them - which Mr S agreed to. It follows I don’t agree Esure mis-led Mr S as he alleged or provided any unclear information about this exclusion.

Mr S has also suggested the home emergency cover would never have served a benefit to him as the boiler wouldn’t be covered. But Mr S *did* receive a financial benefit from the policy, to a sum of £500 which I’ve referenced above. So even if I agreed the policy exclusions should’ve been made clearer to him – which I don’t – it wouldn’t change my mind.

Mr S has also mentioned that despite being sold as 24 hour home emergency cover the service he received when making a claim was slow. This service has already considered a complaint about the claim itself. This means I won’t be commenting or going over any ground about how the claim was handled – this includes how long it took – as this has already been decided.

My final decision

For the above reasons I’m not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 13 October 2021.

Jack Baldry
Ombudsman