

The complaint

Miss M complains about Amtrust Europe Limited and the way they handled her insurance claim after she discovered a fault with her boiler.

What happened

Miss M's boiler was insured on a policy underwritten by Amtrust for several years. In December 2020, Miss M made a claim on this policy when she was unable to start her boiler. Amtrust sent an engineer to inspect the boiler and after doing so, decided the parts that needed to be replaced were obsolete. So, Amtrust explained they were unable to complete the repair or insure Miss M's boiler any further.

But Miss M was unhappy with this, so she raised a complaint. Miss M didn't think the engineer who attend her property had inspected her boiler properly. She said the engineer had only looked at the boiler and not investigated its parts inside. She explained she'd since arrange for another engineer to attend who'd diagnosed the issue and sourced parts to complete the repair. So, she wanted Amtrust to reimburse her for this amount and compensate her for the time she was left without heating and hot water.

Amtrust responded and upheld Miss M's complaint. They agreed their service could've been better and refunded Miss M the premiums she'd paid so far for that year's term as well as a full refund of the previous year. But the policy wasn't re-instated due to the boiler being deemed obsolete. And Amtrust didn't agree to refund Miss M the costs she'd incurred arranging for her own repair. Miss M remained unhappy with this so she referred her complaint to us.

Our investigator looked into the complaint and didn't uphold it. He was satisfied Amtrust had declined Miss M's claim fairly as the parts required to complete the repair as diagnosed by the attending engineer weren't available. So, he thought Amtrust were fair to decide the boiler was obsolete and didn't think they needed to do anything more.

Miss M didn't agree. She maintained her view that the engineer sent by Amtrust hadn't diagnosed the issue correctly as her own engineer had managed to source parts that repaired the issued. So, she wanted the costs of this to be reimbursed.

Our investigator replied again, acknowledging Miss M's comments. He accepted there appeared to have been a difference in diagnosis and why Miss M would be unhappy with this. But he explained Miss M's boiler had been declared obsolete when it was service in September 2020, before the engineer attended following the breakdown. So, he didn't think the engineer should have attended at all as the policy shouldn't have been in place at the time. Because of this, he didn't think Amtrust should cover the costs of the repair as Miss M shouldn't have been insured at the time. Miss M remained unhappy with this, so her complaint has been passed to me for 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 so, I'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to set out clearly what I've considered. I'm aware Miss M raised another complaint about the sale of her policy which has been decided upon by this service separately. So, I won't be commenting on the sale and renewal of the policy any further. But this decision focuses on the service Miss M was provided by Amtrust and the way her claim was handled and eventually declined. And as part of this, the validity of Miss M's policy must also be considered and I recognise this may create some overlap between what's been discussed in the complaints.

And before I explain why I've reached my decision, I want to recognise the impact this complaint has had on Miss M. I recognise Miss M contacted Amtrust after her boiler had broken down. And I appreciate this happened in December 2020, when the need for heating and hot water is greater due to the weather. I've got no doubt it would've been inconvenient and upsetting for Miss M to be without heating and hot water at this time and I recognise this would've been made worse when her claim was declined by Amtrust. While I also recognise Miss M was able to arrange for her own engineer to attend and repair the issue, and so limit the suffering she was caused, I can understand how this would also have added to her inconvenience. So, because of the above, I can appreciate why she thinks Amtrust should compensate her for the upset and her financial loss.

And having looked at the evidence provided to me, alongside Miss M's testimony, I think it's clear there is a difference between the diagnosis made by Amtrust's attending engineer and the engineer Miss M arranged independently. Amtrust's engineer stated the parts needed to repair the boiler were obsolete, meaning they couldn't be obtained. And I've seen Amtrust spoke to the boiler manufacturer, who also confirmed this was the case.

Yet Miss M has confirmed her own engineer was able to complete a repair to her boiler. Although I haven't seen exactly what work was completed, I think it's reasonable for me to assume the parts replaced were different to those diagnosed by Amtrust's attending engineer. So, I'm satisfied the diagnosis by Amtrust's engineer was incorrect. And this satisfies me the way Amtrust handled the claim was unfair. So, I do understand why Miss M is unhappy with this and feels as though the costs she incurred should be reimbursed.

But as well as deciding whether Amtrust has acted unfairly, I also then need to consider what Amtrust should fairly do to put things right. And to do this, any award or direction I make is intended to place Miss M back in the place she would've been, had the service she'd received been fair.

In this situation, I've seen that Miss M's boiler was serviced by Amtrust in September 2020, around three months before her boiler broken down. And I've seen the engineer who completed this service stated the boilers was obsolete due it's age and the inability to obtain replacement parts. So, he recommended for the insurance to be cancelled at this point. I've seen the policy terms and conditions which explain a policy will be voided in this situation. So, while I recognise Amtrust didn't acknowledge this and cancel the policy as soon as they should've done, I'm satisfied the policy shouldn't have been in place from this date. So, when Amtrust attended Miss M's property in December, I don't think a valid policy was in place. So, even if Amtrust's engineer had diagnosed the issue correctly and managed to source a replacement part, I don't think this work should've been covered by the policy. And I think it's likely Amtrust would've realised this before confirming any repairs they may have

been undertaken as the recommendation from the engineer who attended in September were clearly available on their system. So, I think Miss M would've found herself in the same position she is in now.

I've then thought about whether Miss M was likely to have found another insurance policy to cover her boiler, had Amtrust cancelled the one she had within a reasonable amount of time. And I think this is unlikely considering the age of the boiler and the difficulty any insurer would find when trying to obtain replacement parts. So, I think Miss M was always likely to incur the costs of the repair and so, I'm unable to say Amtrust should cover the cost of this on this occasion.

And Amtrust have already refunded Miss M the premiums she paid for policy period at the time she made the claim and for the full year before. I think this refund reasonably addresses the upset Miss M would've felt when she realised her claim was declined. So, I don't think any further award is necessary on this occasion.

I understand this isn't the outcome Miss M was hoping for. But I hope it goes some way to providing Miss M with some closure to the complaint.

My final decision

For the reasons outlined above, I don't uphold Miss M's complaint about Amtrust Europe Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 17 January 2022.

Josh Haskey
Ombudsman