

The complaint

Mr B complains that Allianz Global Assistance (Allianz) have declined his claim to either repair or pay a contribution to the replacement of his central heating boiler under his home emergency policy. He wants the claim paid.

What happened

Mr B inherited a property and arranged a building and contents policy, including home emergency cover with Allianz. This provided for emergency repairs to the central heating system. It also provided for a payment of £500 towards the cost of replacing the boiler, if it agreed it was beyond economic repair (BER). The policy required that there be proof that the boiler had been serviced within the previous 24 months if a claim was made.

Mr B says the boiler was working well but then developed problems. He says Allianz sent an engineer. Mr B advised the engineer he didn't have any service records for the boiler. He says the engineer said the boiler would be covered if it was serviced within the next six months. Mr B says there were further problems with the boiler and several attempts were made to repair it without success. He says the boiler failed completely within the six-month period, so he decided to replace it.

Mr B made a claim for the boiler as BER and sent Allianz an invoice for the installation of his new boiler as proof. Allianz declined the claim. It said it hadn't authorised the replacement of the boiler, which was a requirement of the policy. And, it said that the policy also required evidence that the boiler had been serviced within the previous 24 months.

Mr B complained saying Allianz had waived the service requirements for six- months and the boiler had failed completely within this timeframe. He said he had notified Allianz the boiler was BER in various phone calls. Allianz said it was sorry Mr B was unhappy, but the claim had been declined fairly.

Mr B referred his complaint to our service. Our investigator looked into it, but he didn't uphold it.

He said the terms and conditions (T&C's) of the policy were clear that the boiler wouldn't be covered without a service history and any replacement did need to be pre-approved. He said he hadn't been able to obtain any records from Allianz that showed the servicing requirement had been waived or replacement approved. So, Allianz wasn't treating Mr B unfairly in declining to pay the £500 contribution towards a new boiler.

Mr B said the lack of service records only became a problem once the boiler was found to be BER and Allianz was trying to find a way not to pay the claim.

As Mr B doesn't agree it 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.

Having done so I am not upholding the complaint.

I understand that this was frustrating for Mr B, particularly as he says he had the option to obtain a Government grant towards a replacement boiler but thought the policy route would be quicker. However, I don't think Allianz has treated him unfairly.

Mr B's policy doesn't cover every eventuality. What is and isn't covered is set out in the terms and conditions (T&C's) of the policy. These say that written evidence of a boiler service within the previous 24 months "*will be required in the event of a claim*".

A "*General Exclusion*" in the T&C's says the policy will not cover:

"Costs we have not authorised. Always phone us first."

This means if the boiler was BER, replacement needed to be pre-agreed by Allianz. This is a very common requirement in policies of this type, and I don't think it is an unreasonable.

Most of Mr B's calls about the boiler appear to have been made directly to a plumbing firm rather than to Allianz itself. There aren't any recordings of these calls. Allianz's notes show that he asked for contact details in order to make a BER claim and was provided with an email address. Mr B then emailed the invoice for the new boiler after it had been installed. Nothing suggests that Allianz agreed the boiler was BER before he did this or that it would make the £500 contribution towards replacement. As the policy specifically excludes costs that haven't been authorised it wouldn't be fair for me to tell Allianz to pay Mr B's claim.

Mr B says the 24-month service requirement was waived and that if the boiler failed within six months it would be covered. There isn't any evidence that Allianz agreed to waive this or effectively provide a six-month warranty on the boiler. Perhaps, some confusion was caused by the engineer in completing some work without servicing records being available. And then suggesting that Mr B should get the boiler serviced within the next few months.

I don't think Allianz would have waived the servicing requirement in any situation, it would have no reason to do so. And, even if it had, this wouldn't change the further requirement that BER claims also needed to be authorised first.

I know Mr B will be disappointed, but I don't think Allianz has treated him unfairly and it needn't do anything more than it has.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 February 2022.

Nigel Bracken
Ombudsman