

The complaint

Mr and Mrs Y complain about OVO (S) Home Services Limited (OVO) poor customer service and that it erroneously cancelled their home emergency policy.

What happened

Mr and Mrs Y held a home emergency policy that covered amongst other things, boiler breakdowns at a tenanted property they owned. In January 2021, OVO were first contacted as the boiler kept shutting down. It sent an engineer who (once he had obtained the relevant parts) completed a repair. Following on from this visit, there were around a further eight visits from various engineers who completed different repairs for different faults, that were happening to the boiler.

During the final visit in March 2021, an engineer found there to be sludge in a part in the boiler. Mr and Mrs Y's policy didn't provide cover for any damage caused by sludge. They questioned OVO as to why it had taken so long with so many engineer visits before the presence of sludge was diagnosed. OVO then cancelled the policy without Mr and Mrs Y instructing it to do so.

Mr and Mrs Y instructed an independent engineer to inspect the boiler and carry out a power flush. Their engineer also replaced a fan and advised them that there was no sludge found in the system. But soon afterwards, Mr and Mrs Y chose to replace the boiler at a cost of £1,900.

Mr and Mrs Y complained to OVO given the poor customer service they had experienced and because they felt that under the terms of the policy, it should've replaced their boiler. They sought reimbursement of their costs for the new boiler.

In its final response, OVO accepted that there had been customer service failings and offered to refund all the premiums paid, as well as offered a good will gesture of £50, making the total payment £208.10. It didn't accept that it was responsible for reimbursing the cost of the new boiler, as the presence of sludge in the old boiler meant that this wasn't covered under the policy. It gave Mr and Mrs Y their referral rights and they referred a complaint to our service.

One of our investigators considered the complaint and didn't think it should be upheld. He said that there had been customer service failings, such as engineers attending when there was no appointment made, Mr Y having to chase OVO for a response, as well as cancelling the policy without Mr and Mrs Y's request. He found no evidence that the diagnosis of the presence of sludge was given to avoid repairing the boiler.

His view was that OVO had been fair in refunding all the premiums (especially as Mr and Mrs Y had had the benefit of the policy) and offering the goodwill gesture of £50. And because of this, he couldn't ask OVO to do anything further to resolve the complaint

OVO accepted the view. Mr and Mrs Y did not. They said their engineer had found no sludge in the system but advised that it was more economical to replace the boiler, which is what had been done. They reiterated that the policy shouldn't have been cancelled as OVO didn't offer them any other options, so they asked for a decision from an ombudsman.

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 won't be upholding this complaint. I realise this will be a disappointment to Mr and Mrs Y, but I hope my findings go some way in explaining why I've reached this decision.

I note that Mr and Mrs Y have made a few detailed points, which I have read and considered. I hope the fact that I don't respond in similar detail here won't be taken as a discourtesy. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it isn't necessary for me to respond to every point made, but to concentrate on the nub of the issue.

The main issues of this complaint are whether OVO has fairly declined to fix the boiler and whether it had reasonably cancelled Mr and Mrs Y's policy. I've considered the terms and conditions of the policy to see if OVO were fair not to have fixed the boiler. I have also considered whether OVO were reasonable in having cancelled Mr and Mrs Y's policy without their instruction to do so.

I have considered the terms and conditions of the policy to see what OVO's obligations were. The policy provides that unlimited repairs are offered when a boiler breaks down or isn't working correctly. Mr and Mrs Y describe that OVO attended on around eight occasions for various faults that had occurred with the boiler and on each occasion, according to the service records, a repair was carried out and the engineer left the boiler working. So, I think OVO complied with its obligation to carry out the repairs as it was required, under the policy.

On the final occasion, that OVO attended to the boiler, it found that there was sludge present in a part within the boiler. The policy terms, under the key exclusions and limitations section state: *'Repairs and or system flushes required as a consequence of sludge, limescale or corrosion'*, are excluded from cover. OVO confirmed that it had relied upon its expert who had diagnosed sludge in the system. And following this diagnosis, hadn't given the option of replacing the boiler as the boiler had been affected by sludge, which wasn't covered under the policy terms and conditions.

I'm satisfied that Mr and Mrs Y should've been reasonably aware that this repair wouldn't be covered under the terms of the policy and I can't agree that OVO were unfair not to have offered to replace the boiler, given the presence of sludge.

Mr and Mrs Y said that the engineer they instructed to carry out the repairs on their boiler removed a fan and carried out a power flush. But they chose to replace the boiler. I can't see any evidence that suggests that OVO advised Mr and Mrs Y to have the boiler replaced or that OVO would've refused to carry out any further repairs to the boiler (had any presented) had Mr and Mrs Y chosen to carry out the repair that could remove the blockage. So, I can't be satisfied that the decision Mr and Mrs Y made to purchase the new boiler was done as a result of OVO cancelling their policy or of the service it provided. And as such, I don't think it would be fair to ask them to cover the cost of the replacement boiler.

I have next considered whether OVO ought to have cancelled Mr and Mrs Y's policy without their instruction and the impact this had on them. OVO has accepted that the standard of service it provided fell below what it would've liked and this culminated in it erroneously cancelling Mr and Mrs Y's policy. For the poor customer service issues and it cancelling the policy it refunded all the premiums paid and offered a £50 goodwill gesture, making a total of £208.10.

I'm satisfied that there was a level of impact caused to Mr and Mrs Y, not least the distress and inconvenience of having to chase OVO, appointments being cancelled or engineers attending when appointments hadn't been scheduled and of course for OVO to have cancelled the policy. Our role isn't to fine or to punish the businesses we cover. That's because we're not the industry regulator. Rather, we look at the effect on the customer including their upset. I can make awards for a consumer's distress and inconvenience though, if I think a business has done something wrong which has caused them trouble, upset or material inconvenience.

OVO has accepted that there was a poor level of customer service provided to Mr and Mrs Y. So, it's fair for OVO to recognise this. It should be noted that OVO acted quickly to resolve the error and thereby minimise the impact on Mr and Mrs Y. Further, Mr and Mrs Y chose to replace their boiler, so I think the impact was reduced.

OVO has refunded all the premiums paid and paid a goodwill gesture of £50. Which meant that Mr and Mrs Y had had the benefit of the policy with all the premiums returned and I think it's reasonable that OVO refunded the premiums.

Additionally, Mr and Mrs Y have sent me further information that I have considered. That information shows that OVO has also refunded the cost of an annual service, that hadn't taken place when it ought to have. I think that as OVO has recognised the error of the service not having taken place when it should, it is right that it has refunded the full cost of this, which I think is fair.

Whilst I appreciate that this would not have been the outcome that Mr and Mrs Y were looking for, I am satisfied that OVO was fair to refund all the premiums paid and to pay compensation of £50. Accordingly, I won't be asking it to do anything further to resolve this complaint.

My final decision

For the reasons I have explained, my final decision is that I don't uphold this complaint.

OVO (S) Home Services Limited has already paid £208.10 to settle the complaint and I think this offer is fair in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Y and Mr Y to accept or reject my decision before 4 April 2022.

Ayisha Savage
Ombudsman