

## The complaint

Ms N complains that AmTrust Europe Limited is responsible for mishandling a claim on her central heating insurance policy.

Where I refer to AmTrust, I include contractors, engineers and others insofar as I hold AmTrust responsible for their acts or omissions.

## What happened

For many years, Ms N had her central heating boiler insured. Since at least November 2020, AmTrust was the insurance company responsible for dealing with claims.

During the pandemic, Ms N was working on a ward with Covid-19 patients. So she had more than the usual need for hot water at home.

In March and April 2021, Ms N called for help under the policy. She complained that AmTrust unfairly condemned her boiler after incorrectly saying that the policy would cover the cost of a replacement. By a final response dated April 2021, AmTrust turned down the complaint.

Ms N brought her complaint to us in late April 2021. She said she would like an impartial second opinion and for AmTrust to continue to repair the boiler until she could replace it.

### *our investigator's opinion*

Our investigator didn't recommend that the complaint should be upheld. He didn't think that AmTrust acted unfairly or unreasonably.

### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Ms N and to AmTrust on 1 February 2022. I summarise my findings:

I wouldn't expect AmTrust to have got a second opinion on an old boiler. And I wouldn't expect our investigator to arrange an inspection and report. I gave Ms N a final opportunity to ask her engineer or engineers to put in writing their assessment of her old boiler and, in particular, its main heat exchanger.

Unless and until Ms N could provide some written evidence from her engineer, I was persuaded by the evidence of AmTrust's engineer that – by April 2021 – the boiler needed parts costing over £1,000.00 including a main heat exchanger.

So – keeping in mind the policy claim limit and the exclusions – I wasn't minded to find that AmTrust treated Ms N unfairly by saying that its policy wouldn't cover the repair.

As the policy wouldn't cover the necessary repair – I wasn't minded to find that

AmTrust treated Ms N unfairly by saying that it had cancelled the policy.

Subject to any further information from Ms N or from AmTrust, my provisional decision was not to uphold this complaint. I didn't intend to direct AmTrust Europe Limited to do any more in response to this complaint.

AmTrust hasn't responded to the provisional decision.

Ms N disagreed with the provisional decision. She says, in summary, that:

- She was expecting us to get an independent assessment from an engineer. That's why she kept her condemned boiler for so long as she was expecting it to be required for evidence.

### **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.

The policy terms included the following definition:

*“Beyond Economic Repair*

*The point at which parts are no longer available to repair Your boiler or an Authorised Contractor estimates that:*

- *Your boiler has reached the end of its serviceable life (based on age and condition) **and/or***
- *The cost to repair Your boiler exceeds it's current or replacement value **and/or***
- *The cost to repair Your boiler exceeds the claim limit”*

So there were several reasons for which a boiler might fall within that definition and become “BER”. Those reasons included that spare parts were no longer available, that the boiler had reached the end of its serviceable life, that the cost of repair exceeded the current value of the boiler or that the cost of repair exceeded the claim limit.

The policy terms included the following:

*“The Insurer will meet the costs incurred by an Authorised Contractor up to £1,000 per claim (including VAT) to complete a Breakdown Repair to the Insured System during the Period of Insurance. No payment will be made or work completed if the estimated cost to repair the Insured System is above the claim limit or Your boiler is deemed Beyond Economic Repair.”*

The policy terms listed the following exclusions:

*“4. Costs arising from any repair in the event that replacement parts are not readily available and/or the replacement of boilers that are Beyond Economic Repair  
5. Replacement of boiler primary heat exchanger if Your boiler is aged 7 years or older.”*

So the policy didn't cover repair of the boiler if the estimated cost was over the claim limit of £1,000.00 including VAT or if the boiler was BER for another reason. And the policy excluded the costs of replacing a boiler that was BER. Also, the policy excluded the replacement of a primary heat exchanger if the boiler was 7 years or older.

Ms N told us that she'd had the boiler insured for 13 years. So I find it likely that her boiler was well over 7 years old.

On about 26 March 2021, AmTrust made a visit in response to a call the previous day. It replaced the battery in the thermostat and topped up the system pressure. Ms N says that AmTrust told her that it could fix her boiler for as long as it could get the parts.

On 12 April 2021, AmTrust responded to another call. Ms N and AmTrust have differing versions of what happened. Ms N says that – during a brief visit - the engineer said he had made a telephone call and that – as she was covered for a new boiler - he'd condemned her old one. AmTrust says that its engineer reported that the boiler needed parts estimated to cost (excluding labour) £1,000.00 including a new main heat exchanger.

From the call recording the next day, 13 April 2021, I find that Ms N has been consistent in what she says. But AmTrust told her that her boiler was BER so AmTrust wouldn't repair or replace it. AmTrust cancelled the policy.

I've thought about what's more likely to have happened on 12 April 2021. And I don't find it likely that either Ms N or the engineer (or anyone the engineer telephoned) thought the policy would cover the replacement of an old boiler. So I don't find it likely that the engineer said (or that Ms N believed) that AmTrust was going to replace her boiler free of charge under the policy.

In any event, whatever he said to Ms N, I find that it's likely that the engineer did his job of assessing what work the boiler needed. He reported that the scope of that work included a new heat exchanger and other parts that exceeded the claims limit of £1,000.00 – without any allowance for the cost of labour.

Ms N told us in June and again in September 2021 that she was using the boiler sparingly. On 20 October 2020, Ms N told us that an independent gas engineer had assessed her boiler and advised that it could be repaired with parts costing £600.00. But she had decided to wait for the boiler to completely break down before replacing it.

In early December 2021, Ms N told us the following:

*“The situation has been resolved by myself by purchasing a new boiler”*

So I find it likely that the boiler had broken down between mid-October and early December 2021. And I find it likely that the engineer who assessed the boiler in October (or a different engineer) had assessed the boiler before Ms N decided to replace it.

I wouldn't expect AmTrust to have got a second opinion on an old boiler. And I wouldn't expect our investigator to arrange an inspection and report. Ms N hasn't taken the final opportunity to ask her engineer or engineers to put in writing their assessment of her old boiler and, in particular, its main heat exchanger.

So I'm persuaded by the evidence of AmTrust's engineer that – by April 2021 – the boiler needed parts costing over £1,000.00 including a main heat exchanger. Keeping in mind the policy claim limit and the exclusions, I don't find that AmTrust treated Ms N unfairly by saying that its policy wouldn't cover the repair.

And – as the policy wouldn't cover the necessary repair – I don't find that AmTrust treated Ms N unfairly by saying that it had cancelled the policy.

## **My final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct AmTrust Europe Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 29 March 2022.

Christopher Gilbert

**Ombudsman**