

The complaint

Mr and Mrs F complain that Ikano Bank AB (publ) rejected their claim regarding a boiler servicing contract.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute so instead I'll focus on giving the reasons for my 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 agree with the conclusions reached by the investigator for the following reasons:

There has been some confusion in this complaint due in part to a lack of clear evidence. Mr and Mrs F had a new heating system installed by a company which I will call S. They also took out a 10-year servicing plan. This was funded by a loan from Ikano. S ceased trading and Mr and Mrs F turned to Ikano to cancel their contract.

It seems that a new company, which I will call F is prepared to take over the servicing plan, but despite this being offered by Ikano in September 2021 F has not been in contact to carry out the servicing.

There is also a disagreement about what is covered by the plan. Ikano told this service that the plan would cover parts and labour, but this did not apply to the thermostat. It relayed a message from F which said that any issues with the thermostat would be a matter for the manufacturer.

We have presumed that the service plan covers parts and labour for all other items installed by S. Despite seeking further clarification from Ikano we have not been able to establish the exact terms of the original service plan.

Given the delays Mr and Mrs F have encountered so far I am not inclined to seek yet more information. Ikano has agreed to arrange for the servicing contract to be maintained by a third party. It has identified F as the company which can undertake the work. That seems to be a reasonable solution.

I do not have any evidence that parts and labour would be included in the cover for the thermostat so I cannot see how I can require Ikano to provide that cover. I presume that parts and labour are included for any other servicing.

Putting things right

In conclusion I think it only right that Ikano arrange cover for the remaining term of the 10-year contract to cover servicing including parts and labour for the heating system. It should

also arrange for that cover to include servicing of the thermostat but exclude parts and labour for any repairs to it that may be required. The responsibility to ensure this is maintained lies with Ikano and if F fails to provide the service then Ikano will be required to find a replacement company to do the work.

My final decision

My final decision is that I uphold this complaint and I direct Ikano Bank AB (publ) to ensure that the servicing contract is maintained for the remainder of the 10-year period as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 17 May 2022.

Ivor Graham
Ombudsman