

## The complaint

Mr D complains Homeserve Membership Limited (Homeserve) mis-sold his boiler breakdown cover policy due to the wording regarding boiler replacement.

There are several parties and representatives of Homeserve involved, but for the purposes of this complaint I'm only going to refer to Homeserve.

## What happened

Mr D had an annual boiler breakdown cover policy bought through Homeserve that started in 2014. It was renewed on an annual basis.

Mr D believes Homeserve mis-sold him the policy because within the terms and conditions it says *"If the boiler is 7 years old or over then a £200 payment will be made towards its replacement, if beyond economical repair."*

Mr D said this led him to understand that he would pay the £200 contribution towards the cost of a replacement boiler and his policy would cover the rest of the cost. Homeserve said it means it would make a £200 contribution towards a new boiler and Mr D would have to pay the rest.

Mr D cancelled his policy as it didn't fulfil his requirements and he was disappointed it never covered the full breakdown replacement cost. In his complaint Mr D said he was not aware of the limitations of the conditions regarding the boilers age. He said it was mis-sold, he did not recall entering into an agreement and the policy rolled over without formal consent. He added that the policy is flawed in its wording.

He said he wants his policy costs reimbursed and compensation, which Homeserve declined.

As Mr D was not happy with Homeserve, he brought the complaint to our service.

Our investigator did not uphold the complaint. He looked into the case and said on balance based on the wording and the rest of the policy it isn't misleading in relation to what would be covered and did not think Homeserve mis-sold the policy.

As Mr D is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

## 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.

I first looked in to how this complaint arose as there has been no claim made for a new boiler.

Mr D contacted Homeserve via the Digital live chat to clarify details about his boiler age and policy cover if the boiler needed replacing. He said the previous owner of the property took out the insurance policy and he had kept it running.

During the digital live chat the Homeserve agent confirmed the installation date of the boiler and that it was nearly 15 years old. Mr D said he *“read from the policy that a £200 excess would be payable for a replacement if the boiler was no longer serviceable”*.

The Homeserve agent clarified as his boiler was over seven years old, if it came out to repair the boiler and deemed it beyond economical repair, it would make a £200 contribution towards a new boiler. The agent told Mr D that as long as it could repair his boiler and could source the parts needed it would continue to repair it.

I looked at the documentation sent out to Mr D and I saw that each year the renewal documents were sent to him in the post. The documents include a renewal cover letter, payment schedule, product information document, policy schedule and policy terms and conditions.

Included in the 2019 terms and conditions of the policy it says;  
*“If your boiler is 7 years old or over when it is declared beyond economical repair (BER) we will make a contribution of £200 towards the cost of a new boiler”*.

And included in the 2019 product information document it says;  
*“If the boiler cannot be repaired and is over 7 years old then a £200 payment will be made towards its replacement.”* In his complaint Mr D said he believed this statement *“meant the £200 payment would be made by him and his policy would cover the rest of the cost.”*

As a comparison, I looked at some previous renewal documents. Included in the terms and conditions of the policy in 2015, 2016 and 2017 it also says;  
*“If your boiler is 7 years old or over when it is declared BER we will make a contribution of £200 towards the cost of a new boiler”*.

Included in the 2019 product information document it says; *“This document does not contain the full terms of your cover; please see your schedule and Terms & Conditions for a full description.”* Therefore I don't think the sentence *“If the boiler cannot be repaired and is over 7 years old then a £200 payment will be made towards its replacement.”* is misleading as it is clear in the terms and conditions that it is Homeserve.

I think it is clear in Mr D's policy that £200 would be paid by Homeserve if the boiler was over seven years old and beyond economic repair.

Also included in the annual renewal documents letter it says; *“We have enclosed your new policy documents; please take time to read through the enclosed information to check your details are correct and ensure this cover is still right for you”*.

I am satisfied the details about the policy coverage in reference to the age of the boiler are well-defined in Mr D's policy documents. I can't see Mr D has suffered a loss, as he has not made a claim in regard to replacing his boiler.

As Mr D kept the policy running from the previous homeowner, I do not hold Homeserve responsible for mis-sale of the policy as it did not advise him. Since 2014 the bank account details provided for payment were in Mr D's name. I can see that full details of the policy were sent to him by post each year, as well as information on ensuring the cover still met his needs. And if not, how to cancel.

I understand Mr D said he feels that he was paying a premium of more than £200 per year for just £200 cover if his boiler packs in. However the policy also covered unlimited repairs to his boiler. The policy says; *“There is no claims limit and no limit to the number of claims provided the boiler is not beyond economic repair (BER)”*.

Therefore, I do not uphold Mr D’s complaint and do not require Homeserve to do anything more in this case.

**My final decision**

For the reasons I have given I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr D to accept or reject my decision before 24 May 2022.

Sally-Ann Harding  
**Ombudsman**