

The complaint

Mr L complains about U K Insurance Limited (UKI) under his home emergency policy, about their decision not to replace a pump in his boiler under his home emergency policy.

References to UKI include their agents who provide services and deal with claims under the policy.

What happened

In January 2022 a problem arose with Mr L's boiler when a condense pump filled with water and caused the boiler to switch off. He contacted UKI, who sent an engineer to look at the problem. The engineer was able to get the boiler working again. However, the boiler stopped working again and a second visit was arranged. The engineer advised the pump had failed and bypassed the pump and the boiler started working again. However, this meant Mr L having to collect the water in a bucket and empty it.

The engineer also advised Mr L he would order a new pump and fit it as soon as possible. However, when Mr L contacted UKI to ask when the new pump would be fitted, they said they wouldn't cover the cost of the replacement pump as it wasn't classed as part of the heating system. So, Mr L would have to pay to replace it. They said they'd restored heating and hot water (through bypassing the pump) which meant they'd fulfilled their obligation to respond to the emergency (the loss of heating and hot water) under the policy.

Unhappy at initially being told the pump would be replaced, but then told it wouldn't be covered, Mr L complained to UKI. He said there was no mention in the policy that it wouldn't cover the replacement of the pump, and the policy said it covered the cost of parts and labour up to £500.

UKI partially upheld the complaint. In their initial final response, UKI said their engineer had attended when Mr L first reported the issue and had restored the heating and hot water. However, any further work (to replace the pump) wouldn't be covered under the policy, as the pump wasn't classed as part of the heating system. However, UKI accepted that Mr L had been wrongly advised the pump would be replaced. For being incorrectly advised, UKI offered £25 in compensation.

Following the initial final response, Mr L contacted UKI again because of the continuing issue with water leaking from the boiler (and his having to collect it and empty it). A further appointment was scheduled but didn't take place. Mr L complained again to UKI, who issued a further final response, which restated their view the replacement pump wasn't covered. But they accepted Mr L had been wrongly advised an engineer would attend [to replace the pump] and apologised for his waiting for the engineer to attend. To apologise for the missed appointment, UKI offered a further £50 in compensation.

Unhappy at UKI's final response, Mr L complained to this service. The main point of his complaint was that the replacement of the pump should be covered under his policy, up to £500 for the cost of labour and parts. He wanted UKI to cover the cost of a replacement pump. He also wanted additional compensation on top of the £75 awarded by UKI.

Our investigator didn't uphold the complaint, concluding UKI didn't need to do anything more. He noted the terms of the policy stated that UKI wouldn't pay to replace pumps (part of the central heating). Based on this, he thought the condense pump would fall under the policy exclusion, so UKI had acted fairly under the policy terms by declining to cover the cost of replacing the pump. He also thought the compensation offered by UKI was fair.

Mr L disagreed with the investigator's conclusions and requested an ombudsman review the complaint. He said his claim was made under the heating section of the home emergency section of the policy, not the plumbing and drainage section (where the exclusion relating to pumps was included). He thought the exclusion for pumps should have been included in the heating section. This meant it wasn't clear, so it was unfair for UKI to decline to cover the cost of the replacement pump.

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.

My role here is to decide whether UKI has acted fairly towards Mr L.

I'd first note that the complaint here is about UKI's response under the home emergency section of the policy. This is one section of Mr L's home insurance policy. UKI are the insurer for all sections of the policy, including the home emergency section.

What isn't in dispute is that the pump needed replacement, so the key issue is whether its replacement should be covered under the policy. Mr L maintains it should have been covered under the policy. He also says the exclusion of cover for pumps wasn't included in the heating section of the policy, so it wasn't transparent that it wasn't covered. For their part, UKI maintain the pump isn't covered under the home emergency section of the policy, and by restoring the heating and hot water system (albeit in a way that meant Mr L had to use a bucket to collect and empty the water) meant they'd attended to the emergency. UKI have also clarified their view that the pump isn't part of the heating system.

I've considered both views carefully, including the information and evidence available, particularly the terms and conditions of the policy. Having done so, I've concluded UKI acted fairly in accordance with the terms and conditions of the policy in saying the replacement pump wouldn't be covered under the policy. I know this will be disappointing to Mr L, so I'll set out the reasons why I've come to this conclusion.

UKI's final response stated the replacement pump wasn't covered as it didn't form part of the heating system. The policy itself doesn't include a definition of heating system. UKI have provided clarification that the pump isn't considered part of the heating system because as long as there's a receptacle into which the condensate pipe can drain, the heating system will work effectively. Condensate pumps are only required where the discharge point or drain is too far away from the boiler to drain naturally. Ultimately, it's for UKI to determine what they classify as part of the heating system, which may differ according to the specific heating system in place.

Given this, I've gone on to consider whether UKI declining to cover the replacement pump was reasonable given the other terms and conditions of the policy. The key term and condition here is an exclusion included in the *Plumbing and drainage* heading of the *Home Emergency cover* section, which states:

“x We won’t pay:

- *To replace pumps, water tanks, radiators, cylinders, water softeners, waste disposal units, macerators or part of your central heating.”*

While this is included under the *Plumbing and drainage* section and not the *Heating* section, I think it’s clear that it relates to the central heating system and that pumps (as part of your central heating) are excluded. As both headings of the [Home Emergency] section of the policy are included on the same page of the policy terms and conditions document, I think it’s reasonable to look at the terms and conditions – including what isn’t covered – as a whole. So, I think UKI have acted fairly in applying the exclusion to say the cost of the replacement pump wouldn’t be covered.

I’ve also considered the question of compensation. UKI awarded a total of £75 compensation, firstly for their engineer incorrectly saying the replacement pump would be covered. And secondly, £50 for the missed appointment. I agree Mr L was inconvenienced by both. Considering the circumstances of the case, I think UKI’s offer is fair.

My final decision

For the reasons set out above, my final decision is that I don’t uphold Mr L’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr L to accept or reject my decision before 13 October 2022.

Paul King
Ombudsman