

## The complaint

Mr M complains that One Insurance Limited mishandled his claim on a home emergency insurance policy.

Where I refer to “One”, I refer to the above-named company and I include employees and others insofar as I hold One responsible for their acts or omissions.

## What happened

Mr M had a home with a gas central heating boiler.

For the year from mid-October 2021, he had a home insurance policy. He also had an additional home emergency policy under which One was the insurer responsible for dealing with any claim.

In January 2022, the boiler wasn't working properly so Mr M called One for help under the policy. On 15 January 2022, One sent an engineer.

On 18 January 2022, Mr M complained that One then said it wouldn't fix the boiler.

By a final response dated late January 2022, One upheld the complaint in part. It said that the policy didn't cover the repair. But One apologised for any false hope the engineer had given, and One said it had decided to compensate Mr M with £75.00 for that.

Unhappy with that response, Mr M brought his complaint to us in late February 2022.

Our investigator didn't recommend that the complaint should be upheld. The investigator thought that, in the engineer's opinion, parts had failed due to wear and tear and needed a permanent fix, for which unfortunately there's simply no cover under the policy.

Mr M disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- All home emergency policies are taken out by people to ensure they have peace of mind to have heating and hot water if their boiler fails.
- One's engineer diagnosed thermostat failure. He submitted his report that the failure was due to "wear & tear". That was the reason One gave for refusing his claim.
- A wear and tear clause, if applied in this way to a home/boiler emergency policy, makes the policy without any intrinsic value. For a boiler to fail, it can realistically only be because a part has failed and needs replacing. Any part, when it fails, can be said to be a failure from wear and tear if the boiler is more than a few weeks old. Regular "preventative" replacement of parts of a boiler is not an expected part of running a boiler. Accordingly, any failure will be excluded by Insurers. That is unfair, unreasonable and contrary to the very purpose of the cover.

- A boiler fault is either fixed or not. There can be no temporary fix.
- One Call's engineer should've identified the need to unblock the heat exchanger. One Call should've unblocked it under the policy.
- He has sent us the report from the heating engineer he had in to replace the boiler. This shows that the thermostats had not failed as One's engineer mis-diagnosed.
- The report shows that the cause of the problem was the blocked heat exchanger. A blockage is not something that could properly be viewed as a part failing through wear and tear.
- His heating engineer could've done a repair by unblocking that part. However, to do so would require stripping down the entire boiler to get to the heat exchanger and would then require it to be reinstated. The cost of doing so was likely to be between £500.00 to £700.00 including VAT.
- Instead, he made a reasonable decision that, as the boiler was likely reaching towards the end of its working life, it was preferable to put the money towards a new boiler.
- Insurers should issue him with the £750.00 limit under the policy.

### **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've taken into account the relevant law, policy terms, regulation and good practice.

From the policy schedule, I see that from mid-October 2021, Mr M had "standard" or "basic" home emergency cover as a benefit of his home insurance and free of any separate charge. From a revised policy schedule, I see that from 21 December 2021, Mr M had upgraded to "executive" home emergency cover at a charge of about £50.00.

The policy covered a number of issues including not only his heating system but also, for example, storm damage, wasps' nests and broken locks.

The executive policy terms included the following:

*"A home emergency is considered an event that poses a threat to life or property and ongoing damage is prevented as a temporary measure; this does not cover permanent fixes."*

The policy terms also included the following:

*"What is Included?  
We will pay a combined total of £750.00 (including VAT) for labour, advice, parts and materials to cover an emergency for insured events during the period of insurance.  
• Boilers – emergency repairs after an emergency involving your home that leads to the main source of heating failing."*

The policy terms had exclusions of the following:

*“The cost of, or contribution towards, replacing the main source of heating if it is beyond economic repair.*

...

*Wear and tear – any claims for items or parts that need to be replaced because of natural wear and tear including, but not limited to: tap washers...or the cost of updating essential services including re-wiring of internal electrics.”*

I don't consider that all failures of parts in used boilers are due to wear and tear. I don't find that the exclusion of wear and tear is unusual or unfair in this context.

One's engineer reported that the boiler was ten years old and a high limit 'stat was faulty due to wear and tear. He recommended that all three of the high limit 'stats should be replaced.

From what Mr M and One have each said, it led him to hope that it was going to fix his boiler. I consider that One gave Mr M false hope or, more to the point, One caused him extra disappointment when it declined to do a repair. I'm satisfied that One's compensation of £75.00 was fair and reasonable compensation for such disappointment.

Its final response mentioned both that the policy didn't cover permanent fixes and that it excluded wear and tear.

Mr M's engineer said that there was no problem with the thermostats, but the heat exchanger was blocked. As his engineer gave Mr M the heat exchanger to keep as evidence, I prefer his diagnosis to One's engineer's diagnosis.

However, I don't think that helps Mr M. I say that because a heat exchanger is usually blocked with sludge or limescale that builds up over time – and I consider that to be natural wear and tear.

So I don't accept that One should've unblocked the heat exchanger under the policy. And I don't find it fair and reasonable to direct One to pay the £750.00 policy limit (or any lesser sum) to Mr M.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 December 2022.

Christopher Gilbert  
**Ombudsman**