

The complaint

Mrs L complains about Amtrust Europe Limited's handling of a claim she made under her central heating breakdown policy.

Any reference to Amtrust includes its agents, claim handlers, and contractors.

Background

I issued my provisional decision on this complaint on 11 August 2022. The background and circumstances to the complaint and the reasons why I was minded to uphold it are set out in that decision. Details are below and form part of this final decision.

I asked both parties to send me any further evidence or arguments they wanted me to consider. Neither party did so.

What happened

Mrs L had a heating cover policy which was made up of two parts: the service contract relating to the initial inspection/annual boiler service part of the policy. And the insurance contract relating to boiler and heating breakdown cover.

Mrs L told us her boiler was around 20 years old but it had regular services for at least the last four years.

Mrs L says she had no heating or hot water and so she contacted Amtrust who sent out an engineer. Mrs L says the engineer told her she needed a new valve and left without repairing anything.

Mrs L contacted Amtrust. This time the engineer got the hot water and heating working but after 24 hours the radiators stopped working again.

Mrs L says one of the upstairs radiators expanded to four times its original size and then flew off the wall. She says water went downstairs, through the ceiling, and cracked the wall. The damage to the property was dealt with by Mrs L's home insurance provider.

Mrs L complained to Amtrust since she felt they were responsible for the radiator expanding and therefore the damage caused.

Amtrust said the cause of the problem was the pressure release valve failing which wasn't something reported to them, or that they had attended to previously. Amtrust said none of the engineers who attended or worked on the boiler had any reason to suspect the pressure release valve was not working correctly. Mrs L wasn't satisfied with the response, and said she had to pay £4,000 for a new boiler and wants Amtrust to contribute towards that cost.

Mrs L referred her complaint to our service. Our investigator looked into things for Mrs L. But he didn't uphold the complaint. He said he couldn't see any evidence that Amtrust was

responsible for the failure of the valve or expansion vessel and wouldn't have had a reason to carry out repairs on these parts under the contract of insurance.

Mrs L doesn't accept the investigator's assessment. She asked why the pressure valve wasn't checked when the issue she reported was high pressure. And so the complaint has been passed to me to decide.

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.

It's important to explain our role is to look at whether Amtrust has acted within its terms and conditions and treated Mrs L fairly.

My starting point is the terms and conditions of Mrs L's policy. The cover provides insurance for, "the cost of repair or replacement if you suffer a breakdown or fault." Breakdown is defined as, "the internal failure of burning out of any component part of your system whilst in ordinary use necessitating repair or replacement before it can resume normal operation."

I have also considered the written records of the various engineer's visits. I've seen Amtrust's engineers job sheets which contain Amtrust's record of what its engineer reported after each visit.

In her initial report to Amtrust Mrs L told it she had no heating or hot water. So it's reasonable that when Amtrust attended it didn't inspect the pressure valve. The engineer's job sheet from his attendance says, "customer requires power flush and pump to be replaced as sludge in boiler and has damaged pump.". The heating and hot water was restored following this visit. So Amtrust had done what I would have expected it to.

When the high pressure was reported an engineer attended Mrs L's home again. At that stage the notes show it had been reported that some radiators were not heating and there was high pressure. The job sheet says, "high pressure due to faulty filling loop." It goes on to say the expansion vessel was recharged. But due to restricted access to the filling loop the engineer was unable to replace it. Mrs L has disputed that access to the loop was restricted. The engineer was unable to replace the filling loop and, since he had been told the boiler was going to be replaced, he fixed the issue he was called out on, i.e. radiators not heating up, and didn't take any other action.

Mrs L has asked why the pressure valve wasn't inspected by any of the agents who attended. It seems like it might have been a sensible thing to do and I have asked Amtrust for its comments on this. Amtrust has said it didn't touch the filling loop or have any reports from Mrs L that there was an issue with the filling loop. So it had no reason to inspect it. But the engineer had identified the faulty filling loop, and I don't think it's reasonable to expect a customer to know or be aware of the specifics of a fault.

I haven't seen anything confirming any checks were carried out to ensure it was safe to use the boiler following Mrs L's reports of high pressure. And given the faulty filling loop I think it would have been prudent to check the pressure release valve or have stopped Mrs L from using the boiler. I know Amtrust has said Mrs L was going to replace the boiler but even if that was the case it wouldn't have been an immediate replacement. And so I don't think Amtrust left Mrs L with a repaired boiler and heating system as per the terms of the policy.

Mrs L has obtained a report from her own engineer who replaced her boiler for her. I have

considered the report carefully. I have also considered what Mrs L has told us happened. To the extent that this differs from that in Amtrust's records, Amtrust's notes are very brief. We do, however, have two reports from after the event which indicate the cause was the faulty filling loop and the pressure release valve. Both of which weren't checked, repaired, or replaced by Amtrust. And I would have expected this under the terms of the policy.

I understand Amtrust has said it didn't touch the valve or filling loop and so cannot be held responsible for them being faulty. However under the terms of the policy these faults should have been repaired or replaced. Overall it seems to me more likely than not that had Amtrust repaired both of these the pressure would not have reached such a level as to blow the radiator off the wall. It cannot reasonably just be assumed to be a coincidence.

So even if Amtrust didn't cause the problem by interfering with the valve and loop, it did leave the boiler in a state of increasingly high pressure. On a repair that had been going on for some time. No explanation has been given for this either. I am therefore satisfied the issue with the radiator was due to something done (or not done) by Amtrust and it should not have happened.

I will address how I think this should be put right below.

Replacement boiler

Mrs L has said she wants Amtrust to contribute to the cost of replacing her boiler. However Mrs L was always intending to replace her boiler. And a replacement would not have been something she was entitled to under the terms of the policy.

The policy says where a boiler is older than seven years Amtrust will contribute to the cost of the replacement only where the boiler is considered beyond reasonable repair, or the parts required to repair the boiler are "obsolete." I haven't seen anything to suggest the parts required were unavailable, and Amtrust didn't consider the boiler to be beyond reasonable repair. So I don't think it's appropriate for Amtrust to pay towards the replacement.

Insurance Excess

I know Mrs L's home insurance policy covered the cost of repairing the damage caused by the faulty boiler. And so she would have had to pay an excess on claiming on that policy. So I think Amtrust should refund Mrs L the cost of her excess which she has told me is £250.

Nursery fees

Mrs L was unable to care for her grandson on a number of occasions owing to the state of her home. And so he attended sessions at nursery which Mrs L wants to claim for. We are unable to cover someone else's financial loss, as is the case here, and so I won't be awarding anything for this.

I can see Mrs L has suffered considerable stress and anxiety as a result of this matter.

Putting things right

Amtrust should;

- Pay Mrs L £250 for the excess she paid on her home insurance policy plus interest at 8% simple per year from the date of loss (when she paid the excess) to the date of settlement.

- Pay Mrs L £400 for the distress and inconvenience caused

My final decision

For the reasons I've explained I uphold Mrs L's complaint and direct Amtrust Europe Limited to put things right by doing what I've said above.

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

Kiran Clair
Ombudsman