

## **The complaint**

Ms M is unhappy that AWP P&C SA (AWP) wrote off her boiler instead of repairing it under her home emergency policy. She'd like AWP to pay for her new boiler.

Ms M's policy was underwritten by AWP, so I'll refer to this insurer throughout my decision. Any reference to actions taken includes those of AWP's representatives.

## **What happened**

Ms M's boiler broke so she claimed under her home emergency policy. AWP's engineer inspected the boiler and Ms M said he ordered a part there and then.

AWP contacted Ms M later that day to say it considered her boiler beyond economical repair (BER). She called AWP and it confirmed it would contribute £500 towards a new boiler in line with the policy.

After having her new boiler installed, Ms M applied for a Government interest-free loan. Her application was declined because she'd already had the boiler fitted.

Ms M complained to AWP, and over the next few weeks she sent several emails. Eventually, AWP replied to say that it had correctly declared the boiler BER, and it wouldn't be paying anything more towards it than the £500 stated in the policy. However, AWP offered Ms M £50 for its delay replying to her.

She didn't think AWP had done enough, so Ms M complained to this service.

Our investigator didn't uphold the complaint. He said AWP's engineer had issued a report stating what would be needed to repair the boiler, but AWP had made a decision to declare the boiler BER due to its age and fault. Our investigator thought AWP had handled the claim in line with the policy, so he didn't propose any further action.

Ms M didn't agree. She provided another copy of the engineer's report and questioned how AWP could've treated her fairly if it felt it necessary to apologise that its engineer said the boiler would be repaired. Ms M also provided a copy of a previous year's report showing her boiler wasn't faulty.

The complaint was 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.

I've decided not to uphold Ms M's complaint and I'll explain why.

I won't comment on the details of the complaint, instead, I'll give the reasons for my decision and, where appropriate, explain what evidence I've relied on to reach my decision.

Ms M's boiler was broken which was why she claimed under her home emergency policy. Therefore, her previous year's report saying her boiler was working carries little weight here.

There doesn't seem to be any dispute that a part would be needed to repair the boiler, or that the part may have been available. Indeed, that's why Ms M is unhappy that AWP deemed it BER, leaving her to pay for a new boiler. I noted the parts of the policy that Ms M pointed out specifically. I also looked at the full policy wording, and noted the following definition:

*Beyond economical repair*

*The point at which our tradesperson:*

- *considers the cost of parts and labour to repair the boiler is greater than our estimated value of the boiler;*
- *considers the boiler to be in poor condition;*
- *is unable to obtain the required spare parts to complete the emergency repair within 28 days.*

This tells me that even if AWP could source the part to fix the boiler, it may not have been economically appropriate. I see AWP explained to Ms M that the decision was made in part because of the boiler's age, which was approaching 25 years. I also note that Ms M knew her boiler would need replacing in the not-too-distant future anyway. I think it's important to focus on the fact that BER doesn't mean the boiler couldn't be repaired – instead it was just that it was no longer worthwhile doing. That position is set out in the policy.

In light of this evidence, I'm satisfied that AWP handled the claim in line with the policy, and the evidence indicates that it was reasonable to declare the boiler BER.

AWP acknowledged that it didn't reply to Ms M as quickly as it should've done and offered £50 by way of apology. While the delay was avoidable, I haven't seen anything to indicate that Ms M incurred any loss as a direct result. Therefore, I'm satisfied that AWP's offer was fair and reasonable in the circumstances.

I understand Ms M is unhappy that she had to take out a loan and incur interest in order to replace her boiler. I'm sorry to hear that she experienced distress and frustration because of that. However, AWP is not responsible for the cost of the new boiler, or how Ms M chose to fund that. AWP's limit of liability was to carry out an emergency repair where possible and appropriate or, as was the case here, contribute £500 towards a new boiler. I won't be asking AWP to contribute any more.

**My final decision**

For the reasons given above, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 17 February 2023.

Debra Vaughan  
**Ombudsman**