

The complaint

Mrs S complains about the decision by Inter Partner Assistance SA ('IPA') to turn down her Home Protection Plus claim.

What happened

Mrs S holds Home Protection Plus cover. This provides up to £1,000 towards the repair costs following the breakdown of a boiler, or hot water and heating system.

When Mrs S's boiler started leaking water, she called IPA and it offered to arrange for an engineer to attend. Mrs S asked if she could arrange this herself, which IPA agreed to.

Mrs S's plumber advised her that it wasn't worth repairing the boiler, so Mrs S agreed to replace it. She later asked IPA to contribute £1,000 towards the cost. IPA turned down the claim and said that the boiler was beyond economical repair, which was excluded under the policy. It also advised Mrs S that she couldn't claim anyway because she had an oil-fired boiler. Unhappy with this, Mrs S brought a complaint to this service.

Our investigator recommended the complaint be upheld. She thought IPA hadn't made it clear to Mrs S what the policy covered when she called it about her broken boiler. She thought that if IPA had done this, then Mrs S would have likely had the boiler repaired rather than replaced. She recommended IPA pay the claim up to the policy limit as though Mrs S had had the boiler repaired. The investigator also thought IPA had caused Mrs S unnecessary upset by wrongly advising her that her boiler wasn't covered because it was oil-fired. She recommended IPA pay £100 compensation for this.

I issued a provisional decision on 3 March 2023. Here's what I said:

"The policy excludes 'repairs or replacement of boilers that are beyond economical repair'.

The policy says beyond economical repair means:

'Your boiler/hot water system will be deemed beyond economical repair (BER) by our authorised contractor if:

- 1. The total cost of parts to repair it (including VAT) exceeds 85% of the manufacturer's current retail price of:*
 - the same or equivalent model of your boiler bought as new; or, if this is not available,*
 - a new boiler of the same or similar make, model and output as your boiler.*
- 2. Or we are unable to obtain spare parts to repair it'*

We don't know for certain that the cost to repair the boiler would have exceeded 85% of the price of a replacement boiler. However, Mrs S has said that two plumbers examined the boiler, and both concluded that it wasn't worth repairing. She also said that, even if it had been repaired, she knew that it would need to be replaced in the next few years. On balance, I think this supports that the boiler was likely beyond economical repair, and therefore not covered under the policy.

Having said that, I agree with our investigator that IPA ought to have told Mrs S of the beyond economical repair exclusion when she first called it about her boiler. That's because Mrs S told IPA that she intended to arrange for someone to look at the boiler herself. So I would have expected IPA to have made her aware that if her plumber found the boiler was beyond economical repair, then a repair or replacement wouldn't be covered.

I don't require IPA to make any payment towards Mrs S's replacement boiler. Even if IPA had made her aware of the exclusion, she still wouldn't have been able to make a successful claim. However, IPA should still cover the initial call out fee of Mrs S's plumber, if this was charged. I also think it should pay her £150 compensation to recognise the confusion it caused by failing to make her aware of the beyond economical repair exclusion.

I've also listened to a call between Mrs S and an agent acting on IPA's behalf. Mrs S was wrongly advised that her boiler wasn't covered at all under the policy because it was oil-fired. IPA accepts that Mrs S was given the wrong information here. I agree with our investigator that it would be appropriate for IPA to pay Mrs S £100 compensation for the unnecessary upset and confusion this caused her."

I asked both parties to provide me with any further comments they wished to make before I made a final decision.

Mrs S responded to say she insured her boiler for 25 years and hadn't been informed by IPA that the policy didn't cover oil-fired boilers.

IPA accepted my provisional decision.

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.

Mrs S says she hadn't been informed by IPA that the policy didn't cover oil-fired boilers. To be clear, the policy does cover oil-fired boilers. Mrs S was wrongly advised by IPA's agent that her boiler wasn't covered because it was oil-fired. It is for this reason that I'm requiring IPA to pay Mrs S £100 compensation for the confusion caused.

As neither party has provided any further comments for me to consider, I remain of the view that IPA should pay Mrs S total compensation of £250, as well as her plumber's call out fee - and for the same reasons as stated in my provisional decision.

My final decision

My final decision is that I uphold this complaint. I require Inter Partner Assistance SA to do the following:

- reimburse Mrs S for one plumber's call out fee if this was charged. Interest* should be added at the rate of 8% simple per annum from the date the invoice was paid to the date of settlement, and
- pay Mrs S total compensation of £250.

* If IPA considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mrs S how much it's taken off. It should also give Mrs S a

certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 14 April 2023.

Chantelle Hurn-Ryan
Ombudsman