

The complaint

Mr R is unhappy with Acasta European Insurance Company Limited's (Acasta) decision to decline a claim made under a guarantee for an air source heat pump.

What happened

In December 2022, Mr R says he discovered a fault with his air source heat pump. The pump had been installed in February 2022, with the works finalised in April 2022. At some point between April and the fault being discovered in December, the original supplier went into liquidation. Mr R contacted Acasta to make a claim under his warranty. Acasta asked him to get a report from another supplier setting out the fault and estimated cost to repair it. Mr R obtained this information and provided it to Acasta.

Acasta subsequently declined the claim which caused Mr R to complain. In the final response letter, Acasta said the faults were due to the installation of the pump, so would have been apparent before the supplier went into liquidation. Therefore, Acasta considered the claim wasn't covered by the guarantee.

Mr R didn't agree and asked us to look into his concerns. One of our investigators did so and said that whilst the underlying cause of the fault might have been present since the air pump was installed, she considered Mr R was unaware of this until the fault presented itself. She recommended Acasta reconsider the claim subject to the remaining policy terms.

Mr R accepted the investigators conclusions, but Acasta didn't. So, this case 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.

In considering this case, I've reached the same decision as our investigator and for the same reasons. For clarity, I've included the exclusion Acasta is looking to rely on when declining Mr R's claim:

*"No cover is provided for faults that occurred (whether notified or not) prior to the supplier **ceasing to trade**..."*

It's not in dispute the independent report Mr R obtained at Acasta's request identified faults with the installation of the air pump. And based on this, it appears the fault could have been present since installation.

In response to our investigator's conclusions, Acasta said they consider the faults would have been "*apparent prior to the supplier ceasing to trade*". However, they haven't provided any evidence to support this, or identified how Mr R ought reasonably to have known the installation carried out several months before was faulty.

Where there's incomplete or contradictory evidence provided, I need to decide what of the evidence provided I find most persuasive. Here, I find Mr R's account of what happened more persuasive. I'm satisfied, based on the information provided, the first time Mr R became aware a potential fault with the pump (and that he may need to rely on the guarantee) was in December 2022, when the pump failed. I've considered the report Mr R obtained from the other supplier. This noted when the temperature dropped, the system shows faults which caused it to stop producing heating and hot water. Against this background, it doesn't seem unreasonable Mr R first became aware of faults later in the year – i.e., when the temperature dropped.

For the reasons I've given, I don't consider Acasta can show it acted fairly in declining Mr R's claim based on the above exclusion. To put things right, Acasta should reconsider Mr R's claim subject to the remaining policy terms.

My final decision

My final decision is that I uphold this complaint. To put things right, I require Acasta European Insurance Company Limited to reconsider Mr R's claim, subject to the remaining policy terms.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 21 November 2023.

Emma Hawkins
Ombudsman