

## **The complaint**

Miss O complains about how Admiral Insurance (Gibraltar) Limited (Admiral) dealt with a claim under her home emergency policy when she had problems with her boiler.

References to Admiral in this decision include their agents who provide services under the policy.

This decision covers Miss O's complaint to this Service about how Admiral responded to a problem with her boiler, and Admiral's final response to her complaint to them about the issue. It doesn't cover a separate complaint she raised with Admiral about how they responded to an issue with her toilet.

## **What happened**

Miss O had a home insurance policy with Admiral, which included home emergency cover. In May 2023 she contacted Admiral to say the pilot light on her boiler had gone out and wouldn't re-light. Admiral sent an engineer out the following day, who replaced a circuit board and managed to re-light the pilot light. The engineer said the boiler was very old and there could be pilot light issues after replacing the circuit board. The pilot light went out again after he left, and he couldn't re-light it when he came back the following day. He said the issue was likely to be the thermocouple, but if that didn't work there could be a gas valve issue (though this wouldn't be clear until the thermocouple was replaced). Miss O contacted Admiral the following day and was told they were awaiting parts to fix the boiler.

Because of the cost of repair and potential further repair, Admiral then deemed the boiler to be Beyond Economical Repair (BER) and contacted Miss O to tell her about their decision, saying they would no longer cover the boiler under the policy (though Miss O maintains she contacted Admiral). They advised she could contact the boiler manufacturer to arrange a fixed price repair, which they would cover up to the remaining balance on the policy limit for repairs (£500). Miss O arranged an engineer visit, which took place the following week and the boiler was fixed (at a cost of £122.40 for fitting a new thermocouple, which Admiral reimbursed). But Miss O was without heating or hot water during the period.

Admiral said they would no longer cover the boiler if it broke down again as they considered it BER. Miss O disagreed with Admiral's decision, so she complained. She raised several complaint points, including the decision to deem the boiler BER; the engineer not fixing the boiler (which her engineer was subsequently able to do); being without heating and hot water for some ten days; and not receiving callbacks when promised.

In their final response, Admiral said their engineer told Miss O replacing the circuit board meant issues with the pilot light might remain, which they thought correct given what subsequently happened (these issues related to the age and condition of the boiler). Their decision to deem the boiler as BER was based on the cost of repair compared to the value of the boiler (given its age). It didn't mean the boiler couldn't be repaired – which of itself wouldn't change their decision to deem the boiler BER and so no longer covered under the policy. Regarding Miss O's engineer replacing a part Admiral's engineer said was obsolete, Admiral said manufacturers sometimes had stocks of parts not generally available. Admiral

also said their engineer's diagnosis of the issue (thermocouple) turned out to be correct and they stood by their decision to deem Miss O's boiler BER. But Admiral accepted Miss O hadn't been called back when promised, offering £25 compensation.

Unhappy at Admiral's response, Miss O complained to this Service. She was unhappy at the changes to her policy made by Admiral, so they would no longer cover her boiler. She was also unhappy at the service provided by Admiral and the time and effort she had to spend trying to resolve matters. She didn't accept Admiral's offer of £25 for missed callbacks was sufficient for what she considered poor service and being without heating or hot water for ten days. And that Admiral's engineer couldn't repair the boiler when the manufacturer engineer fixed it on his visit (by fitting a new thermocouple, which Admiral's engineer said was obsolete) at a cost well below the policy limit of £500. Miss O said this indicated Admiral's decision to say her boiler was BER was wrong. She wanted Admiral to reverse their decision to deem her boiler BER and a higher amount of compensation.

Our investigator didn't uphold Miss O's complaint, concluding Admiral didn't need to take any further action. She thought Admiral had acted in line with the policy terms and conditions in addressing the boiler breakdown, despite it failing a second time. The engineer noted potential further polilt light issues despite changing the circuit board. And the engineer subsequently identified the potential thermocouple issues. Admiral had also acted fairly in deeming the boiler BER given the cost (actual and estimated) of repairing the boiler, even if the parts could be sourced. She also thought the £25 compensation offered by Admiral was reasonable. Admiral deemed the boiler as BER four days after Miss O first contacted them, which wasn't unreasonable. The time taken after that point for Miss O to arrange an engineer attend and fix the boiler wouldn't be something for which Admiral were responsible.

Miss O disagreed with the investigator's view and requested an ombudsman review the complaint. She said the first repair failed, and this was due to the engineer not diagnosing the issue correctly. As evidenced by the boiler working fine nine months after her engineer fixed it. And had Admiral's engineer had a thermocouple when they visited, they could have repaired the boiler (as her own engineer subsequently did). And the repair from her engineer was £122.40, well below the £500 policy limit – which indicated the boiler wasn't BER.

### **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.

My role here to decide whether Admiral has acted fairly towards Miss O.

There are several issues in Miss O's complaint. From what I've seen, the main ones are: Admiral's decision to deem the boiler BER when it failed for a second time, as well as the service provided to Miss O.

In coming to my decision I've looked at everything Miss O and Admiral have said, and the evidence and information provided during our Service's investigation, although I may not comment on every specific detail.

One aspect of Miss O's complaint I haven't considered is her concerns about Admiral's complaint handling. That's because complaint handling (by a business) isn't a regulated activity that falls within the remit of this Service.

Looking at the timeline of events, the engineer first attended the day after Miss O reported the breakdown. He replaced a circuit board and managed to re-light the boiler and leave it

working. Admiral's case notes indicate he told Miss O the boiler was very old (it was indicated to be about 29 years old when Miss O first called Admiral to report the breakdown) and there could still be issues with the pilot light even after replacing the circuit board.

The pilot light went out again and the engineer re-attended the following day. He advised the boiler would require thermocouple and possibly a gas valve – although the latter couldn't be known definitively until replacing the thermocouple. Admiral's case notes indicate the parts may not be available due to the boiler's age.

Miss O says the engineer could have fixed the boiler had they had a thermocouple with them, thereby avoiding her having no heating or hot water for ten days. However, the fact was the engineer didn't have the specific part and it's unreasonable to expect them to have every possible part when they visit – parts often have to be ordered (even if they are available at all). And even if Miss O's engineer had the part, it doesn't make it unreasonable Admiral's engineer didn't have it.

I recognise Miss O subsequently had another engineer replace the thermocouple, which is what Admiral advised she pursue as an option. And as the part was that diagnosed by Admiral's engineer, I don't think this unreasonable. The gas valve possibility was flagged as such by Admiral's engineer and so wasn't definitive. And while Admiral may not have been able to source a thermocouple from their suppliers (notwithstanding their deeming the boiler to be BER) Miss O was able to have the boiler repaired, and Admiral reimbursed the cost to her. Which I also think reasonable.

On the decision to deem the boiler BER, Admiral say this was due to the cost of repair, not simply the age of the boiler. There's a comment in their case notes that:

*"The engineer has advised parts may be obsolete as well due to the boiler being 30+ years old so BER due to age, condition, cost of repair and parts being obsolete."*

The initial visit, circuit board replacement are recorded as costing some £343 and the estimated cost of a thermocouple £60 plus VAT and a gas valve £220 plus VAT. Which would put the cost over the £500 policy limit. The policy terms and conditions also state:

*"If we cannot repair your boiler, heating system or hot-water system, or if the cost of repairs would be more than the cost of a boiler of the same type; age and condition, the cover under this section will no longer apply and we will not contribute towards the cost of a replacement."*

Given the age of the boiler; the actual and estimated costs of repairs; and the cost of a boiler of its type, age, and condition then I don't think Admiral's decision to deem the boiler as BER to be unreasonable. Miss O says the repair from her engineer (£122.40) was well below the policy limit, so her boiler wasn't BER. However that doesn't allow for the cost of the visits by Admiral's engineer and the replacement circuit board, which meant the total cost of repairs carried out and potential repairs would exceed the policy limit and the value of the boiler, given its age. And even if the boiler was subsequently repaired, that's not the same thing as it being deemed by Admiral to be BER.

On the service received, it took four days from the initial notification of the issue by Miss O to Admiral deeming the boiler BER. This includes two visits by their engineer on successive days, the first being the day after the problem was notified. I don't think this unreasonable. Miss O maintains the option to source her own engineer was made known to her after she contacted Admiral (not the other way round). But either way, she was aware Admiral would no longer cover the boiler and she'd need to source her own repair, through the manufacturer or her own engineer, which she was then able to do.

That her engineer was able to repair the boiler – which was working at the point she complained to this Service – doesn't, in my view, make Admiral's actions unreasonable for the reasons I've set out.

I can see Miss O didn't receive callbacks from Admiral to let her know what was happening, which Admiral accept and have awarded £25 compensation. Considering the circumstances of the case and the published guidelines from this Service on awards for distress and inconvenience, I think this is reasonable, so I won't be asking them to increase the award.

### **My final decision**

For the reasons set out above, my final decision is that I don't uphold Miss O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 2 September 2024.

Paul King  
**Ombudsman**