

The complaint

Miss D complains about Helvetia Global Solutions Limited's handling of a claim on her boiler insurance.

Miss D's policy was sold and is administered by a third party company on Helvetia's behalf and all Miss D's correspondence has been with this company. However, Helvetia is the policy underwriter, so her complaint is against Helvetia. Any reference to Helvetia in my decision includes the administrator.

What happened

Miss D moved into her home in November 2023 and took out a Helvetia policy to cover her boiler and central heating system. In January 2024, she reported problems with the boiler pressure to Helvetia. Two engineers inspected the boiler. The second concluded it was beyond economical repair (BER) and needed to be replaced.

Helvetia told Miss D her policy didn't cover her for a replacement boiler. However, it offered a 15% discount for a new boiler. An engineer installed the new boiler in February 2024.

Miss D continued to experience problems with the boiler pressure. Two more engineers investigated this and found there was a leak in the central heating system. One found problems with how the new boiler had been installed.

Miss D complained to Helvetia. She said, in summary:

- Helvetia told her she needed a new boiler when this wasn't the cause of the problem.
- The low boiler pressure was caused by a leak in the heating system.
- The new boiler cost her almost £2,700.
- The engineer who installed the new boiler did a "*terrible job*" and had to return twice to correct mistakes.
- She was without heating during February/March.
- She also had to pay for a specialist to find and repair the leak.

Helvetia said, in summary:

- Its engineers found two problems: a broken heat exchanger in the boiler, and a separate fault with the heating system.
- The boiler was over 14 years old and would cost more to repair than replace so was BER.
- Her policy didn't cover her for the new boiler.
- It wasn't responsible for any problems with the new boiler as this was supplied and installed by a separate company.
- It acknowledged that some of its communication was poor. It offered Miss D £50 to apologise for this.

Miss D didn't accept this and brought her complaint to this service. She wants Helvetia to

pay for her new boiler and compensate her for its supplier's mistakes and the distress and inconvenience it caused.

Our investigator recommended that the complaint should be upheld. He was satisfied that Helvetia's decision to declare Miss D's boiler BER was reasonable. However, he thought its communication about this was poor, and the service by the supplier who installed the new boiler caused Miss D unnecessary distress. He thought Helvetia should pay Miss D £350 for this. He also recommended that it refund £200 of the leak specialist's costs.

Helvetia accepted our investigator's recommendation about costs. But it didn't agree that it should be liable for the supplier's failings around the installation of the new boiler. It thought the recommended redress for distress was too high.

The case was passed to me to make a final 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.

The boiler problems continued after Miss D replaced it, so I understand why she believes Helvetia's engineers misdiagnosed the problem. However, I think the various reports show there were two separate problems with the heating system:

- 24 January. *"Most likely cause is expansion vessel.... Unable to see any visible signs of leaking externally."*
- 8 February. Error code on the boiler. *"Platform required for heat exchanger replacement."*
- 26 February: *"Central heating pipe work under the floorboard are leaking."*
- 28 February: *"...there seems to have been two separate issues, the 1st being a boiler which had a major fault and the second being a leak present on the heating system...."*

I've checked the error code reported on 8 February. I found that it isn't related to a leak but can be related to the heat exchanger. I think the engineer's conclusion that the heat exchanger needed to be replaced was reasonable.

The last report is the most comprehensive and most helpful. It explained why the problem had continued and worsened after the new boiler was installed, and identified problems with the installation. He also noted: *"trace and access would be needed however we would not be able to determine where to start as this would be like trying to find a needle in a haystack."* The specialist appointed by Miss D found a leak under the floorboards using specialist tracing equipment.

The policy booklet explains that boilers have a *"limited life... [which] can be between 7-20 years."* Our investigator found that the typical lifespan of this make and model boiler is ten to 15 years. The boiler manufacturer said Miss D's boiler was 14 years old. I don't think it's unusual to find a terminal fault in a boiler this old.

I've looked at Helvetia's decision that the boiler was beyond economical repair (BER). It told us the cost of repair would have been just under £1,000, including labour. Our investigator found the price for a replacement heat exchanger was between £400 and £600, so I don't think Helvetia's quote is unreasonable. Miss D's boiler was worth £350. This means the cost of repairing it was more than the cost of replacing it. I'm satisfied that Helvetia's decision it

wasn't economical to repair the boiler was fair.

Page 21 of the policy booklet sets out what Helvetia will do if the boiler is BER: *"If the boiler is over 7 years old we will not cover the cost of a new one but we can offer you a 15% discount towards a new one."*

I accept that there was a leak in the heating system. However, Helvetia has shown there was a separate problem with the boiler which meant it was BER and needed to be replaced. Given the age of the boiler, Miss D's policy doesn't cover her for a replacement. I'm satisfied that Helvetia shouldn't have to pay for this.

Miss D asked Helvetia to cover the cost of the leak detection. Her policy says: *"This policy will cover up to £1,000 including VAT to gain access to carry out repair."* ('Getting access and reinstatement', page 22). However, the policy doesn't cover the cost of tracing the leak. Helvetia confirmed it only *"provide[s] cover for access, repair, and rectification"* once a leak was found.

The specialist who traced the leak also repaired it. His invoice doesn't give a detailed breakdown of this work, but I know the cost of tracing the leak would have been the most significant part of the final bill. The engineer who attended on 28 February noted how difficult this would be. Helvetia agreed to contribute £200 towards his costs. On balance, I think this is fair.

The engineer's report from 28 February confirmed problems with the new boiler installation, including fitting errors on the flue, condense pipe, gas pipe, and expansion vessel. The supplier didn't dispute these findings and corrected them in March, just over a month after it installed the boiler.

I understand why Miss D would be incredibly frustrated by this. Helvetia says it isn't liable for the supplier's work because it only offers an introduction to the supplier and the new boiler isn't offered under the insurance policy. I disagree, for the following reasons:

- The policy booklet says *"we can offer you a 15% discount"* towards a new boiler.
- The policy wording confirms Miss D can only get that discount by using Helvetia's supplier: *"You can choose to get a new boiler installed by someone else, but we will not be able to contribute anything towards this."*
- Correspondence from the policy administrator used the same wording. For example, its email to Miss D on 15 February: *"While we regret we cannot repair your boiler, we can still provide options to get your home heating and hot water back to normal.... we can offer a priority installation service, a new A grade boiler and a simple affordable payment plan."*
- Miss D arranged her boiler through the policy administrator rather than directly with the supplier. For example, the 'Application Status' on 16 February said: *"We have notified [supplier] to arrange installation of your brand new equipment."*
- A reasonable customer would understand that Helvetia was supplying the new boiler.

Miss D's insurance policy offered a benefit which required her to use a specific supplier to enjoy that benefit. In my opinion, that's within the scope of insurer activity. In other words, I'm satisfied that Helvetia should be responsible for the service its supplier provided.

The supplier's failings left her without a functioning heating system for over a month during winter. Miss D explained that it wasn't easy for her to take time off work to give the engineers access to her home. I understand how this would have caused her distress and inconvenience. I think Helvetia should compensate her for this, as well as for its poor

communication during the claim.

Our investigator recommended it pay Miss D £350. Having considered the level of award made by this service in similar circumstances, I think this is fair. Helvetia offered Miss D £50. If it has already paid this, it need only pay her an extra £300.

My final decision

My final decision is that I uphold this complaint and order Helvetia Global Solutions Limited to:

- Pay Miss D £350 to reflect the distress and inconvenience it caused by its handling of her claim. (It can deduct £50 if it has already paid this.)
- Pay Miss D £200 towards the access, repair, and rectification work by the leak specialist.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 31 December 2024.

Simon Begley
Ombudsman