

The complaint

Mr H complains Acasta European Insurance Company Limited (Acaster) unfairly declined his claim on his guarantee insurance policy.

Acasta are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Acasta have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Acasta includes the actions of the intermediary.

What happened

Mr H had a solar panel system installed at his property in December 2023.

After a power loss in May 2024, an electrician looked at the solar system and said the installation work was not completed correctly and had resulted in failure and the power loss. The electrician said the system had been installed with Wi-Fi connectivity and recommended the system was changed from wireless to a hardwired system.

The company who installed the system had gone into liquidation, so Mr H made a claim on a guarantee insurance that he held with Acaster, which had been provided by the company who had installed the system. This provided a guarantee for the work completed if the company went into liquidation, which it had.

Acasta declined to settle Mr H's claim. It said the work to change the wiring was improving the system and that wasn't what the policy covers.

In July 2024 Mr H had the repairs and work to change the system to a hardwired system completed by his own electrician.

Because Mr H was not happy with Acasta, he brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and they were not persuaded Acasta fairly declined the claim. They said it should reassess the claim based on the remaining terms. And Acasta should also offer £100 compensation to reflect the unnecessary distress and inconvenience.

As Acasta is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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 saw when Mr H's electrician attended in May 2024 two faults were found. One due to a circuit breaker being wired incorrectly stopping the solar panels inverter from working

correctly. And the network connectivity was not installed correctly, which had caused the battery and gateway to go offline from the internet.

I saw Acaster said typically, the choice of using a Wi-Fi communication method would be favoured over an ethernet wired connection due to installation conditions i.e. equipment location difficulty of routing cabling. And if the wireless communication had been defective from when the system was commissioned in December 2023, the issues would have been apparent from this date and the system would not have worked until the fault became apparent almost five months later.

Acasta said the guarantee is designed to cover faults with the installation or component parts, rather than cover improvements and that a change from Wi-Fi to hardwired was classed as improvement. It said the policy says;

“4. No cover is provided for any items or work carried out that is not stated or contained within the suppliers contract.”

It said it had relied on this term to decline the claim.

I recognise the system could be installed either by Wi-Fi or hard wired, but that doesn't confirm if the Wi-Fi system at Mr H's property was installed correctly. I have not seen any evidence of Acaster sending an approved expert to look at the installation, so it has not been able to provide evidence that the Wi-Fi wiring was installed correctly and didn't need to be changed.

I accept the insurance policy is only intended to cover the original parts installed. However although some of the work undertaken was to change the wiring part of the system, I have not seen any evidence that persuades me this work, or the circuit breaker being rewired, is an improvement. It was completed to enable the solar panel system to work as it should do.

I am persuaded the work Mr H had completed by the electrician was required due to faults with the installation of the system and should be covered under the terms of the insurance policy with Acaster.

Therefore, I uphold Mr H's complaint.

Putting things right

I require Acaster to settle Mr H's claim for the work completed under the remaining terms of his insurance policy. Due to the distress and inconvenience caused to Mr H in this case, I require it to pay him £100 compensation.

My final decision

For the reasons I have given I uphold this complaint.

I require Acasta European Insurance Company Limited to settle Mr H's claim for the repairs to the installation of his solar system under the remaining terms of his policy. And pay him £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 February 2025.

Sally-Ann Harding
Ombudsman