

## **The complaint**

Mr H and Mrs H have complained that Accredited Insurance (Europe) Ltd ('Accredited') unfairly declined to deal with a claim under their home emergency policy.

As Mr H mainly seemed to deal with the claim and complaint, for ease, I will normally only refer to him.

## **What happened**

Mr H contacted Accredited to make a claim. The call handler asked whether Mr H had serviced the boiler within the last 15 months. Mr H said he didn't know as he had only moved into the property about 10 months ago. Accredited said it would send an engineer. Mr H followed up again less than an hour later. He again said he didn't know whether the boiler had been serviced. Accredited said it would send an engineer. Mr H phoned again about an hour later. When Mr H said he hadn't had the boiler serviced, Accredited said it wouldn't send an engineer.

Mr H arranged his own engineer to assess the boiler. The engineer said the boiler could be fixed but it might be more cost effective to replace it. Mr H decided to replace the boiler. Mr H also complained to Accredited. He said it was unfair for Accredited not to deal with the claim. He said he wasn't told about the need for a service when he took out the policy.

When Accredited replied, it didn't uphold the complaint and wouldn't deal with the claim. So, Mr H brought his complaint to this Service. Accredited then reviewed the complaint again and offered £50 compensation because it said it should have told Mr H earlier that it couldn't send an engineer because the boiler hadn't been serviced.

Our Investigator reviewed the complaint and upheld it. She said she was satisfied Mr H had been made aware of the need to service the boiler when he first took out the policy. Accredited had applied a condition precedent of cover in order for Mr H to make use of the policy. However, it hadn't shown Mr H had prejudiced Accredited's position by not having the boiler serviced. She said it should have sent an engineer to inspect the boiler. The policy provided a temporary repair. There wasn't evidence to show a temporary repair could have been carried out. Mr H's engineer said the circuit board needed to be replaced. But, Mr H replaced the boiler. This wasn't covered by the policy because Mr H's engineer had confirmed the boiler wasn't beyond economical repair. However, Accredited's customer service had been poor. So, she said it should pay Mr H £150 compensation.

Mr H said Accredited could have done more if it had sent an engineer. So, the complaint was referred to me.

## **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.

Having done so, I uphold this complaint. I will explain why.

First, I've looked at whether Accredited made it clear about the need to have the boiler serviced when Mr H first took out the policy. I've seen the information Mr H was provided when he took out the policy and looked at the policy booklet. I've seen evidence that both at the time the policy was purchased and in the policy booklet that this requirement was clearly explained. So, I'm satisfied Mr H should have been aware of this.

So, I've thought about whether it was reasonable for Accredited not to send an engineer. Accredited didn't send an engineer because it said the annual service requirement was an exclusion under the policy. I think it would be more accurate to describe it as a condition precedent of cover. This is when a policyholder must take certain steps before they have a right to benefit under the policy. In this case, the policy required policyholders to have the boiler serviced every 15 months before cover was available for the boiler.

The general approach of this Service, and of the insurance industry, is that it's unfair and unreasonable to decline a claim for breaching a condition unless it can be shown that the breach caused detriment to the insurer. In this instance, I don't think Accredited has shown that was the case. I'm not aware of anything in the information provided by Mr H as part of the claim that indicated the annual service was relevant to the boiler issue. In my view, Accredited should have sent an engineer to assess the boiler.

However, Accredited didn't send an engineer. So, Mr H arranged for his own engineer to assess the boiler. As part of that, Mr H decided to replace the boiler. He thinks Accredited should contribute towards his costs to replace the boiler. So, I've also thought about this.

Mr H has said his engineer told him a computer part, which I understand to mean a circuit board or similar, needed replacing in the boiler. I've read the policy booklet. This said Accredited would carry out a *"temporary repair to remove the health risk, make your home secure or restore your essential services"*. I think it's fair to say replacing a circuit board or similar part would have been a permanent repair.

The policy also said *"We will only carry out a permanent repair if this would not cost more than doing a temporary repair"*. I'm also aware Mr H has said the part would have cost about £700, which was within the £1,000 claim limit. But I've seen no evidence of what, if any, temporary repair could have been carried out on the boiler and how much that would have cost. Mr H also didn't have the circuit board or similar part fitted. So, I'm not persuaded Accredited should pay him the equivalent cost of the part.

Mr H decided to have a new boiler fitted, which cost about £1,600. He told this Service that his engineer told him he could replace the part, but that another part might break in the future. So, he said it might be more cost effective to replace the boiler. Looking at the policy, this included a *"new boiler contribution"* where, in its engineer's opinion, the boiler was beyond economic repair. However, Mr H's engineer didn't say the boiler was beyond economic repair. It was assessed to be potentially more cost effective to replace the boiler in case there were further issues in future. So, I don't think Accredited needed to contribute towards Mr H buying a new boiler.

I've also thought about compensation. I think Mr H was caused inconvenience by Accredited giving him contradictory information when he phoned. It twice told him it would send an engineer and then said it wouldn't. I also think it should have sent an engineer to carry out an assessment. I don't think it had enough information to decide Mr H not being able to say when the boiler was last serviced was relevant to the claim. Mr H also had the inconvenience of having to arrange his own engineer instead. So, I think it's fair for Accredited to pay Mr H £150 compensation to reflect the impact on him of how it dealt with the claim.

**My final decision**

For the reasons I have given, it is my final decision that the complaint is upheld. I require Accredited Insurance (Europe) Ltd to pay Mr H and Mrs H £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 4 March 2025.

Louise O'Sullivan  
**Ombudsman**