

The complaint

Mr M complains Domestic & General Insurance Plc unfairly declined a claim he made under his Domestic and General (D&G) policy for issues with his boiler.

What happened

In October 2024 Mr M contacted D&G as he was having issues with his boiler. It sent an engineer to his property.

Mr M says the engineer told him the issue was either with the domestic hot water plate or the heat exchanger. He says he was told the hot water plate wouldn't be covered under the policy, and the heat exchanger wouldn't be replaced on a boiler of the age of Mr M's (about 15 years). Unhappy with that, Mr M complained. He says at that point he was told the claim had been declined as the engineer thought there was sludge in the system. D&G offered his £50 excess back as a gesture of goodwill. Mr M remained unhappy, he said the engineer hadn't checked for sludge, and so he couldn't have known that was the issue. He said under the policy terms, D&G should contribute £750 to the cost of a new boiler since his couldn't be repaired.

D&G responded to the complaint; it was satisfied it had fairly declined the claim. So Mr M referred his complaint to the Financial Ombudsman Service. As a resolution he wanted D&G to pay £750 towards a new boiler, refund his premiums paid for the last two years as well as pay in excess of £600 compensation. He said he is vulnerable, and D&G left him without hot water or heating over the winter months.

Our Investigator didn't think D&G had acted unfairly in declining the claim. She said the £750 boiler contribution would only be payable if a repair wasn't possible on an accepted claim. She said as she considered this claim to have been fairly declined, it was reasonable that D&G didn't offer the £750 contribution.

As the matter wasn't resolved, it came to me to decide. In July 2025 I issued a provisional decision on this complaint. I said I intended to uphold it, and ask D&G to pay Mr M the £750 he requested. I said whilst 'sludge' was excluded from the policy, D&G hadn't made clear to Mr M that repairs to the boiler were covered under the policy once sludge was cleared. A copy of what I wrote is below.

Mr M's policy covers "if your heating equipment suffers a mechanical or electrical breakdown". Heating equipment is defined as the boiler, its controls and system protected by the policy. So if it can be shown that there was a mechanical or electrical breakdown, then D&G will need to cover the claim unless it can fairly rely on a valid exclusion to decline it. On the face of it, I think it's likely there was a mechanical or electrical breakdown of the boiler system, since Mr M reported that there was no hot water getting to the shower. The notes from D&G's engineer at the time are vague. They say "domestic hot water plate poor in bathroom...please get D&G to contact customer and let him know he's not covered for blockages".

I asked D&G if its engineer noted any damage to the hot water plate, I said whilst I accepted under the policy that there was an exclusion for “sludge or blockages”, I said that any damage caused as a result of that, doesn’t seem to be excluded by the policy. And so any mechanical or electrical breakdown to a part (caused by sludge or not) is covered. D&G’s response was that it may be possible to replace the heat exchanger, but when the damage has been caused by sludge, the sludge issue needs to be rectified first before fitting any replacement parts.

This doesn’t seem to be what D&G told Mr M at the time. I haven’t been provided with a copy of the claim decline letter D&G sent Mr M, but its FRL says “the engineer confirmed the issue with heat exchanger plate is blocked due to the system blockages and is not covered under the terms of your policy, this is the reason that your claim has been rejected.” It doesn’t say that once Mr M deals with the sludge, that D&G will carry out any necessary repair to the heat exchanger plate. And I’m satisfied, having read the terms of the policy, that is what D&G should have said. Unless D&G is satisfied there was no issue with the heat exchanger plate other than the blockage, but that isn’t clear from its engineer’s notes and isn’t what was suggested by D&G’s response to my enquiry. The note says it is ‘poor’ suggesting some breakdown of it. So, I’m inclined to think there was some damage to the boiler system which was most likely covered by the policy.

I’ll return later in the decision to how I think D&G should put matters right in that respect. First, I think it’s important to cover Mr M’s argument, that the engineer can’t have known there was sludge in the system (and so should have done a repair) because he didn’t do any tests for that.

I’ve asked D&G what, if any, tests the engineer performed to confirm the presence of sludge. In response it said that damage by sludge is typically visible on inspection, it will show up as discolouration, and the presence of silt or debris around the affected area are indicators of sludge in the system.

The engineer didn’t provide any photographs to show any of the above, but based on D&G’s comments, I’m persuaded that it’s possible to identify sludge in a system without carrying out any ‘tests’ as Mr M refers.

If D&G wants to rely on an exclusion to decline a claim, it is for it to show it can fairly do so. But on balance, I think D&G is reasonable to rely on the comments of its engineer, that sludge was present and having an impact and so needed to be rectified. And “sludge” is listed in the policy as an exclusion. As such, I intend to decide that D&G’s decision that sludge removal wouldn’t be covered is fair and reasonable. As such, Mr M would have always needed to pay for that to be resolved first, before a repair could be done.

Mr M has told this Service that he was without heating and hot water until January 2025. So I think it’s fair to conclude he must have carried out some repairs (or replacement) to the boiler earlier this year. I have asked Mr M what repairs he’s had done, but he didn’t provide any further detail. As such, with the limited information I have from both parties, I’m going to propose a way for D&G to resolve this complaint, given what I’ve set out above – that I’m currently satisfied that its most likely Mr M should’ve had a repair carried out under the policy.

Mr M has asked for £750. That doesn’t seem an unreasonable ask. I think it’s likely that amount would cover any repair needed to the boiler (excepting any sludge removal) or provide the contribution the policy says it will provide, if the boiler cannot be repaired. So, unless D&G can persuade me this is an unfair amount to award, then I’ll require D&G to pay this amount to Mr M to resolve the complaint. In the circumstances, with no invoice available from Mr M, I don’t intend to require D&G to add interest to this sum.

Having considered the Service Mr M received from D&G, I'm not satisfied it's been clear with Mr M about what he needed to do before it could carry out a repair. But, at the moment, I don't think it is responsible, as he says, for him being without heating and hot water for the whole period he's claimed. Firstly D&G said only an issue with the shower was reported, there was no issue with the heating reported. In any event, even if D&G has that wrong, and both the heating and hot water were affected, D&G was, I think, fair in saying that removing sludge from the system isn't covered. So Mr M would've always needed to do that first, meaning he'd likely have been without heating and hot water for a certain period of time. But I do accept that Mr M might have agreed to have the sludge in the system removed, had D&G been clear with him that it would then repair or replace any part of the system that was damaged after that. As a result, I think D&G should pay £300 compensation for the distress and inconvenience it's caused Mr M in not being clear about what Mr M needed to do, and what the policy covered him for. I note it's previously refunded Mr M's £50 excess sum, as such D&G should pay a further £250 compensation (to make up the total £300 I intend to award).

I don't intend to ask D&G to refund premiums paid by Mr M. I appreciate, having had his claim declined, that Mr M cancelled the policy. But he has benefited from having boiler cover, and the decline of a claim (even if done unfairly) doesn't mean that he shouldn't pay for the insurance. I'm also now requiring D&G to make settlement as I'm satisfied a claim under the policy should have been accepted by it. It wouldn't be appropriate to require D&G to refund premiums as well.

Responses to my provisional decision

Mr M was in agreement with my provisional findings. He made some further points that he felt D&G had failed at earlier opportunities to advise him of the potential for system blockages. He also said he thought D&G had amended engineer's notes after he signed them.

D&G said it would agree to pay the further £250 compensation. But it didn't think it should have to pay the £750. It said its repair agent had tried to return to the property to gather photographic evidence to support their diagnosis, but they couldn't get entry. It also said that a repair to the plate heat exchanger would be £150, with labour of around one hour. It said whilst Mr M has said the main heat exchanger might have been the problem – which would be a more significant repair – that statement is speculative, and no evidence has been provided of that.

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've reviewed D&G's comments, but I'm not persuaded to change my opinion on how this complaint should be resolved. D&G has failed Mr M by not being clear with him about what his policy covers. It might be that, had D&G explained things properly, it might have then been able to carry out a repair for around £150, but it's not reasonable for it to now only pay that sum.

The details from D&G's engineer's visit are very brief. The fact they attempted to reattend to obtain photographs shows, to me, that D&G also likely considered them too brief to fairly decline the claim. However, it did so in any event, causing Mr M to be without amenities for longer than he should've been. It also may have caused Mr M to incur a higher repair charge

than D&G consider would've been needed, or have the boiler replaced when that wasn't needed.

My role, where a business has made a mistake, is to put someone back in the position they would've been in, but for the mistake. That isn't easy to do in this scenario, and I've had somewhat limited detail from both parties, but I'm not persuaded D&G's proposal would do so. I also bear in mind that D&G had an opportunity to put matters right when a complaint was made, and it missed an opportunity to recognise its poor service, even though D&G recognises Mr M as a vulnerable customer.

I've noted Mr M's further comments, particularly that he feels D&G might have altered engineers' notes after he signed them. But I'm not going to look into that any further here, doing so wouldn't alter the outcome of this complaint.

As such, to resolve matters D&G will need to pay Mr M £750 in lieu of repairs and pay a total of £300 compensation (less the £50 already paid).

My final decision

My final decision is that I uphold this complaint. I direct Domestic & General Insurance Plc to pay Mr M:

- £750 either in lieu of repairs or as a contribution under the policy towards a new boiler.
- A total of £300 compensation (less the £50 already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 September 2025.

Michelle Henderson
Ombudsman