

## **The complaint**

Mr A has complained about the service provided by UWI Limited ('UWI') under his boiler and home insurance policy. For the avoidance of doubt, the term 'UWI' includes UWI's agents and contractors for the purpose of this decision.

## **What happened**

Mr A experienced boiler breakdown and he reported the matter to UWI on 17 January 2025 as UWI was his boiler insurer at the relevant time. Mr A paid the relevant excess fee of £60, and UWI arranged for an engineer to visit the next day. The engineer attended but he was late, and decided that new parts needed to be ordered. A further visit was scheduled for 22 January 2025, but UWI then rearranged this for 23 January 2025, and again, the engineer was late. Sludge was identified in the system on this visit. Mr A expressed concern that UWI had not proactively informed him that he was entitled to have an annual service, and he felt that this could have prevented the problems and expense that he encountered.

Mr A raised his complaint on 25 January 2025 as he was unhappy that a power flush was required and couldn't be completed by UWI. He also complained about the poor service and rearrangement of appointments. UWI issued £95 compensation in acknowledgement of the service issues. Mr A then made a further complaint on 24 March 2025 for further service issues and UWI acknowledged these by issuing further compensation of £35. Mr A didn't consider that the total compensation of £130 adequately recognised the distress and inconvenience caused, bearing in mind the effect on vulnerable persons. He felt that there had been a lack of proactive communication, and that UWI had caused prolonged distress.

As Mr A was unhappy with the remedy, he referred his complaint to this service. The relevant investigator didn't uphold Mr A's complaint. She acknowledged that the service had been poor. It was her view however that UWI's engineer hadn't acted in an unreasonable manner when he hadn't identified a sludge problem on his first visit. In any event, she noted that damage caused by sludge wasn't covered under the policy. As to an annual service, the investigator thought that the availability of an annual service was made clear in the relevant documents, and that it was the customer's responsibility to ensure maintenance. In summary, it was her view that £130 compensation had been fair and reasonable.

Mr A remained unhappy about the outcome of his complaint, and the matter has now been referred to me to make a final decision in my role as Ombudsman.

## **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 key issue for me to determine is whether UWI applied the terms and conditions of the relevant policy in a fair and reasonable manner, and fairly compensated Mr A for its acknowledged service failures. I consider that UWI did act in a fair and reasonable manner in these respects and I'll explain my reasons below.

Mr A said that UWI's engineer attended after cancelled appointments after he'd paid a £60 call-out fee, however, after spending three hours at Mr A's home, he said that due to sludge in the system, the issue wasn't covered and UWI was unable to proceed with the work. Mr A then had to spend £680 to arrange for the sludge to be cleared. On completion of this work, Mr A contacted UWI but felt that it was giving him the 'runaround', giving the impression the job would take a long time and saying that it couldn't attend on certain dates. Again, the technician didn't attend at the allocated time, so Mr A spent all day at home for no reason. When the technician did arrive late, he only spent half an hour doing the work.

Mr A said that it had been '*one long saga*'. He described the welfare impact on his family in detail and described his health issues and explained that there was also a child in the home and that the family had been left without water and heating in the middle of winter, for an extended period. He said that the matter should have been treated as a priority under any reasonable service policy, especially given the presence of a young child, and that the delays and repeated rescheduling prolonged the family's hardship unnecessarily. The family had to wash using kettles of boiled water, and the child had to sleep in extra clothing and blankets and became ill with a persistent cough, so causing stress, tension and worry.

In summary, Mr A was unhappy with the level of service and poor communication provided by UWI and the compensation offered. He believed that UWI should have carried out annual service checks as this would have avoided the bill to fix the issue. At no point had he been proactively informed by UWI of the entitlement to an annual service, and he was unaware of this benefit. He said that had UWI '*acted promptly, communicated effectively, and managed the claim in line with reasonable service standards, I would not have had to bear this cost*'. He also felt mentally stressed as a result of dealing with UWI and felt that it didn't treat him as a priority service and this led to a loss of trust and wasted time, as he'd spent weeks chasing and rearranging his life around UWI's poor service. Mr A considered that the impact here went far beyond ordinary short-lived or minor inconvenience as explained above.

I now turn to UWI's response to Mr A's complaint. It said that Mr A had accepted compensation of £95 in January 2025 for its acknowledged service failure. It then paid a further £35 in compensation in March 2025. As for the background to the complaint, UWI explained that it was difficult to confirm the cause of failure of boiler parts until an engineer could attend to remove them. It said that sludge could only be identified on opening up the heating system or removing the parts, '*which is something that an engineer would not generally do until the replacement parts are available to place straight into the boiler*'.

UWI said that its engineer had attended with the intention of replacing the diverter valve and plate heat exchanger, but upon removing the existing parts, he found that both parts had been damaged due to the sludge within the system, and the valve had snapped on removal. It was then agreed with Mr A that the engineer would replace this part after Mr A had arranged a power flush and installation of a filter. The part was replaced on 15 February 2025 and UWI also offered for the plate heat exchanger to be replaced on the basis that Mr A would pay for this. Work was completed on 16 February 2025, and the hot water supply was restored. UWI supplied copies of its engineer's reports which it said showed sludge within the plate heat exchanger.

I now turn to my reasons for not upholding this complaint. The starting point for complaints of this nature will be the terms and conditions of the relevant insurance policy, as these form the basis of the contract between the customer and the insurer. The policy does in principle cover all repairs to the customer's boiler. However, the policy is also clear that there is no cover for; '*Damage caused by lime scale, sludge or other debris in the central heating boiler and related pipework*'. The term '*Sludge*' is defined in the policy as; '*The natural build-up of deposits in your boiler or central heating system as it corrodes over time*'. The policy also excludes; '*de-scaling or removal of hard water deposits, de-sludging...*' As to annual boiler

services, the policy clearly stated at the beginning, under the heading; *'Welcome'*, that; *'Holders of this policy are entitled to a free of charge annual boiler service...'*

In this case, the available expert evidence, in the form of the report of UWI's engineer following the visit of 23 January 2025 indicated that the presence of sludge had been the key issue causing damage and failure of the hot water system here. He'd stated that; *'...The heat exchanger has debris in it, filled up system and the AAV [automatic air vent] has also started a leak although that's well scaled up already. All in all poor'*. I note that the photographs attached to the report clearly show leakage of sludge or debris and apparent corrosion of parts.

I note that Mr A promptly attended to engaging his own contractor at the end of January 2025 to conduct a power flush of the system and installation of a filter at a cost of £680 including VAT. I appreciate that Mr A thought that he'd incurred £680 because of delays by UWI. He felt that if UWI had provided clear, timely and consistent information, then he *'would not have been forced into making such an urgent and costly private arrangement'*. However, this isn't supported by the available evidence. Unfortunately for Mr A, even if sludge had been identified at the initial visit, this is work Mr A was required to pay for in any event, as de-sludging is clearly excluded from the policy. I can't therefore say that UWI has acted unreasonably or unfairly in declining to cover costs in this respect.

I also can't say that UWI's engineer should have immediately opened up the system. For his visit on 18 January 2025, I'm satisfied that UWI's engineer acted reasonably in reporting *'Hot water [is] working but then going to cold then hot. Looks like diverter and heat plate issues...'*

I consider that ordering relevant parts in readiness for opening up the system would normally save time for the customer. It's unfortunate that in this instance, the presence of sludge could only be seen when opening the system to remove and replace parts. I can't say that UWI's approach had been unfair or unreasonable in this case.

As for the delay in finally resolving the hot water problem, I note that by 15 February 2025, the diverter valve was replaced because it had snapped. This was to restore the boiler to its condition prior to the discovery of the sludge. I note that the part was no longer manufactured so that a different part had to be fitted and this caused some delay. I consider this delay to be unfortunate, but I can't say that UWI acted unreasonably or caused undue delay in sourcing a solution.

I now turn to the question of whether UWI had acted in an unreasonable fashion by not proactively inform Mr A about his entitlement to an annual service. Mr A felt that it was a reasonable expectation that the company would act in good faith and notify or remind the customer of such an entitlement. I'm satisfied in this case however that the entitlement to an annual service was highlighted clearly in the policy documents. There is an expectation that the customer will familiarise themselves with the terms, conditions and benefits of cover and to contact the insurer if they're unsure about anything. I can't therefore say that UWI has acted in an unfair or unreasonable manner in this respect.

As for the level of service provided in this case with regard to engineer appointments and communication, UWI has acknowledged certain service failures on its part, and I agree that these failures will have caused inconvenience. Mr A felt that the total compensation of £130 wasn't proportionate to the prolonged lack of heating and hot water, distress caused to a household that included vulnerable individuals, unnecessary out-of-pocket expense, and repeated inconvenience and wasted time due to late or cancelled appointments.

As above, I consider that the main issue here was in relation to the presence of sludge in the heating system and the damage that this caused. I have every sympathy with the predicament Mr A and his family found themselves in at the coldest time of the year,

particularly with a young child in the home. However, the need to remove sludge and then to replace damaged parts was, unfortunately, not a matter for which cover was in place. I can't therefore say that UWI were responsible for the delays involved in de-sludging the system and repairing damage which, on the balance of probabilities, had been caused by the presence of sludge in the system.

With regard to compensation, I'm satisfied that late and cancelled appointments were issues for which UW was indeed responsible. I also appreciate that the breakdown of the boiler and being without hot water for a prolonged period will have been extremely distressing for Mr A and his family. The admitted service failures will only have added to the frustration and stress which the incident itself had caused. However, UWI was not responsible for the boiler breakdown itself, and the identified service errors involved relatively short delays. I'm therefore satisfied that the total compensation of £130 is fair and reasonable and is in line with the compensation which the service would expect to be paid in accordance with its published guidance.

I appreciate that this decision will come as a disappointment to Mr A. In this instance however, I can't say that UWI has acted in an unfair or unreasonable manner.

### **My final decision**

For the reasons given above, I don't uphold Mr A's complaint, and I don't require UWI Limited to do any more in response to his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 December 2025.

Claire Jones  
**Ombudsman**