

The complaint

Mr M has complained about the service provided by Helvetia Global Solutions Ltd ('Helvetia') under his boiler insurance policy. For the avoidance of doubt, the term 'Helvetia' includes reference to its agents and contractors for the purposes of this decision.

What happened

Mr M took out a boiler insurance policy with Helvetia in September 2023 and then renewed it in 2024. Mr M reported an issue with his boiler to Helvetia in the summer of 2025 and Helvetia sent out an engineer. Helvetia declared that the boiler was beyond economic repair ('BER') after it noted that repairs would cost nearly £520. It also noted that the boiler was 13-years old and that it had already spent over £320 on repairs in the previous year. Mr M said that he subsequently went directly to the manufacturer, and it said that repairs would cost £369. Mr M wanted Helvetia to reimburse this cost and to pay compensation for the stress and inconvenience caused.

Helvetia maintained its position in response to Mr M's complaint, and so Mr M referred his complaint to this service. The relevant investigator upheld his complaint, and it was her view that Helvetia should reimburse Mr M the cost of repairs together with interest. Helvetia didn't agree with the investigator's view, and the matter has now been referred to me to reach 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 here is whether Helvetia applied the terms and conditions of its policy in a fair and reasonable manner by refusing to cover repair costs, and in declaring Mr M's boiler to be BER. I don't consider that it acted in a fair and reasonable manner in all respects, and I'll explain why.

In reaching this decision, I've also considered the parties' submissions, which are summarised as follows. Turning firstly to Mr M's submissions, as he was left with no hot water, he'd contacted the manufacturer directly and managed to arrange a repair for just under £370. When making the repair, he said that the engineer observed that the boiler was in '*perfect working order*' and, in his opinion, was nowhere near BER. He also observed that key components of the boiler had intact factory seals, meaning it had never been serviced correctly albeit Helvetia had previously serviced his boiler. Additionally, the engineer considered the wiring undertaken for a previous repair was done very poorly, so he re-did the work. The engineer's written report recorded that; '*component replaced...found [PCB] with electrical fault...Stripped down boiler, fitted new [PCB]... (rewired, poor connections...and labelled correctly)*'.

Mr M also felt that Helvetia had unfairly amalgamated the costs of the claim with those of a claim he'd made in relation to the boiler 18 months previously. He said that the insurer's practice meant that '*we had no cover from that point forward, despite continuing to pay*

monthly premiums. This practice was not explained to us at the time of the initial claim, or in renewal documentation.’ He said that he wouldn’t have renewed the policy if he’d been informed of this. In conclusion, Mr M said that he’d paid for a repair that should reasonably have been covered by his policy.

I now turn to Helvetia’s response to Mr M’s complaint. It explained that Mr M’s boiler was assessed as BER because the cost of the proposed remedial works exceeded the current market value of the boiler. It said that this was a standard industry assessment based on the *‘extent of the issues found during the engineer’s visit’*, as well as the parts and labour required to restore functionality. It did however offer to review the matter if Mr M could send the manufacturer’s full job report to include a breakdown of the work, replacement parts, and confirmation that the boiler was now in working condition.

Upon review, Helvetia stated that the repair required a replacement ‘PCB’, for which the manufacturer had quoted Helvetia nearly £430. Once labour was added, the total cost came to nearly £520. It explained that just over £320 had already been spent on the boiler, bringing the combined cost to over £840 *‘to keep a 13-year-old boiler operational,’* It considered that the manufacturer had noted that the ‘PCB’ was in poor condition, and Helvetia said that this could mask other underlying faults, *‘meaning that even after replacement, further issues could arise, leading to additional expenses.’*

Helvetia said that BER applied if the total cost of remedial works exceeded the current market value of the unit. It estimated this market value to be around £400, which it said was well below the repair costs of over £500. It said that manufacturers will offer more competitive quotes directly to consumers. Whilst the previous fault may not have been related, it asserted that there were two major faults within 12 months *‘that would show the boilers condition as declining.’*

I now turn to my reasons for upholding Mr M’s complaint. The starting point will be the terms and conditions of the insurance policy, as these form the basis of the insurance contract between the insurer and its customer. In principle, the policy covers boiler repairs in the event of breakdowns, to include callout, parts and all labour involved. There are certain standard exclusions in the policy, including circumstances where a boiler becomes ‘BER’. This is defined in the policy as being *‘When according to the expert judgement of our claims team the cost of repair is more than the value of the boiler.’*

The policy terms then elaborate on this issue and make it clear that boilers have a limited lifespan, which; *‘Depending on the make or model of the boiler this can be between 7-20 years.’* It goes on to say; *‘Sometimes when the cost of the repair for the boiler is likely to be more than the current value of your boiler, we will not be able to carry out the repair and instead declare the boiler [BER].’* Finally, the policy terms also state; *‘If you have an older boiler there is a chance that we may not be able to get hold of all the parts we need to fix your boiler or central heating. If we’ve agreed to cover a boiler or appliance, we’ll do what we can, within reason, to repair it but might not always be able to locate the required part.’*

In this instance, the manufacturer produced a cheaper quote to Mr M than it did to Helvetia for the same work. Insurers often have arrangements with suppliers which lead to lower quotes to those provided to customers, however this doesn’t appear to be the case here. Nevertheless, it’s not necessary to explore the reasons for the different quotes. Once Mr M supplied evidence of the cost of the repair work and the engineer’s report, I’m satisfied that the fair and reasonable response would have been for Helvetia to accept that the cost of the remedial work didn’t in fact exceed the current market value of the boiler as estimated by Helvetia. This response would have been in line with the provisions of its own policy as the cost of repair was clearly less than its current estimated value.

As for Helvetia's point that the lifespan of the boiler should be considered, the policy doesn't state that a 13-year-old boiler is automatically BER. Instead, it indicates that it would do what it could, within reason, to repair the boiler. I'm persuaded that the boiler in this instance was repairable and indeed, that it was repaired successfully. I'm also persuaded on the balance of probabilities that Mr M's recollection of what he was informed by the manufacturer's engineer was correct, as this broadly accords with what he stated in the engineer's written report. Whilst I note Helvetia's argument that replacement of the PCB may lead to further issues; this isn't borne out by the report of the manufacturer's engineer, or any alternative evidence produced by Helvetia.

Finally, I note Helvetia's point that the combined cost of two repairs was high. However, I don't consider that it's approach in amalgamating the cost of these repairs was in line with the terms and conditions of the policy. The first repair occurred in January 2024, and prior to renewal of the policy in September 2024 and there's no evidence that the two faults were related. It may well be the case that the boiler is reaching the end of its useful life, however, Helvetia had agreed to re-insure the boiler for the coming year, and I don't consider that it was fair and reasonable to then decline to cover a repair that was subsequently evidenced to cost just under £370.

In conclusion, I'm satisfied that Helvetia must reimburse Mr M for the cost of the repairs, together with interest, as it was presented with evidence in June 2025 of the true cost of the work. I appreciate that Mr M took the initiative in contacting the manufacturer, however I can't say that Helvetia initially acted unfairly or unreasonably in obtaining a quote from the manufacturer and declaring the boiler to be BER. In the circumstances, I don't award compensation over and above the cost of repairs.

My final decision

For the reasons given above, I uphold Mr M's complaint, and I require Helvetia Global Solutions Ltd to do the following in response to his complaint: -

- reimburse Mr M £369 which he paid for the repairs within 21 days of acceptance of this final decision.
- Pay interest on the sum of £369, calculated from the date Mr M paid the relevant invoice up to the date of settlement, at 8% a year simple interest*

*If Helvetia considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M how much it's taken off. It should also give Mr M a certificate showing this if he asks for one, so that he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 March 2026.

Claire Jones
Ombudsman