

## The complaint

Mr E complains about the decline of his home emergency claim by Millennium Insurance Company Limited ('Millenium').

As Millenium have accepted responsibility for agents acting on their behalf, in my decision any reference to Millenium should also be interpreted as covering the actions of their appointed agents (engineers for example).

## What happened

The details of what happened are well known to both parties. I will summarise them here.

- Mr E has boiler insurance with Millenium. He made a claim following intermittent issues in May 2025.
- An engineer attended and noted that a block plate needed replacing.
- However, Millenium refused to cover the costs of any repair. They said that the policy excluded cover for claims where damage had been caused by sludge.

Mr E was unhappy and brought his complaint to our Service for an independent review. He said the decline had been unfair as most boilers would have some sludge in the system.

Our Investigator looked into it, and he didn't think Millenium had declined the claim fairly. He said there was insufficient evidence that sludge had caused the fault. He noted Mr E had subsequently bought a new boiler (which he thought was a reasonable course of action in the circumstances). He recommended that to put things right, Millenium pay Mr E 15% of the costs (with interest and some compensation). He said this was the amount Millenium would have been required to pay, had the exclusion not applied but the boiler deemed beyond economic repair (BER). Which he felt was the most likely thing to have happened.

Mr E accepted the view, but Millenium didn't agree. They said Mr E had been told the boiler needed a power flush prior to any repair and had acted without being told he needed a new boiler or that the boiler was BER.

As no agreement was reached, the case has been passed to me to decide.

## 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 agree with the outcome reached by the Investigator. I'll explain why.

Millenium have pointed to an exclusion in Mr E's policy, where they say they will not be responsible for "*any repairs, maintenance work, or parts replacement required as a result of sludge, scale or other debris*". However, I don't agree they have shown that this exclusion fairly applies here.

The notes from the engineer who attended and inspected Mr E's boiler, say that a new boiler plate was needed. There is no evidence in this that it had been caused by sludge and in fact the water test they carried out was shown to be "clear". Despite requests, Millenium haven't been able to provide any evidence that sludge was the cause of the fault. Instead, only providing generic evidence as to what can cause faulty block plates, which I don't find persuasive.

Millenium have subsequently said that Mr E was told the boiler needed a power flush prior to any repairs, which he was responsible for. They say he then decided to proceed with the boiler replacement without this. I assume they are inferring that they were denied the opportunity to repair. However, I don't agree with this. There is no evidence Mr E was told this and that is despite two requests to Millenium for this information. Further, I find it entirely reasonable that Mr E would have decided to have purchased a new boiler, considering the declined claim and age of the boiler (over 15 years old).

As I have concluded that I don't think the claim was declined fairly, I have gone on to consider what Millenium would have done. I think it is more likely than not that they would have deemed the boiler BER. I say this due to the age of the boiler, the likely cost of replacing the block plate and also that Mr E's own investigation determined that a replacement was most cost effective for him.

Mr E's policy says that if a boiler is over 7 years old and deemed BER, they will offer a 15% discount towards a new one. Mr E has (understandably) already had a new boiler installed and provided an invoice for this. I think it is fair that Millenium pays the 15% towards this, they would have done (with interest for the time taken and Mr E having the loss of use of funds for this amount).

I also don't think Millenium have treated Mr E fairly and denied him use of his policy as well as not responding to several requests for information and changing their reason for the decline. This has obviously caused Mr E distress and I think they should pay him £100 as compensation towards this.

In summary, I don't think Millenium declined the claim fairly and they should pay Mr E what I think they would have done, had they done so.

### **Putting things right**

- Pay Mr E a contribution towards his new boiler costs of 15% (calculated as £360).
- Pay interest on the above amount at 8% simple interest per annum, to be calculated from the date of the invoice (27 May 2025) until paid.
- Pay Mr E an additional £100 in compensation for distress and inconvenience.

### **My final decision**

I uphold this complaint against Millennium Insurance Company Limited and require them to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 10 March 2026.

Yoni Smith  
**Ombudsman**