

The complaint

Mr B has complained that Millennium Insurance Company Limited (MICL) unfairly dealt with a claim under his home emergency policy.

What happened

Mr B's policy with MICL included an annual service. When the engineer visited to carry out the annual service, he told Mr B the boiler required repairs. MICL assessed the engineer's report and decided the boiler was beyond economic repair (BER).

Mr B didn't agree with this assessment and didn't understand why the decision had been made that the boiler was BER. He wanted MICL to repair the boiler. MICL dealt with this as a complaint and when it replied, it said it could decide a boiler was BER when the cost to repair a boiler exceeds its current market value. Multiple issues had been found with the boiler. These included a blocked plate heat exchanger, a sticking diverter valve, a leaking auto air vent, deteriorating condensate seals and flue corrosion. It said most of the issues were due to wear and tear, which wasn't covered by the policy. Due to the general condition of the boiler and the number of affected parts, even if it carried out the repairs, it said this was unlikely to be reliable or a long-term fix.

When Mr B brought his complaint to this Service, our Investigator didn't uphold the complaint. He said the evidence showed the boiler was about 15 years old and had a range of defects. He said MICL had used its expert knowledge to assess the boiler and he was satisfied it had fairly relied on the evidence to determine it was beyond economic repair.

As Mr B didn't agree, the complaint was referred to me.

I issued my provisional decision on 10 February 2026. In my provisional decision, I explained the reasons why I wasn't planning to uphold the complaint. I said:

MICL carried out an annual service on Mr B's boiler and found several faults with it. Following the visit, MICL considered its engineer's report and decided the boiler was BER. It told Mr B it wouldn't repair the boiler. Mr B complained because he didn't think MICL had provided a credible reason why it wouldn't repair the boiler under his policy. Mr B told this Service that he didn't understand why people paid for cover, but then had to pay for repairs themselves. So, I've looked at what happened.

When the engineer carried out the annual service, the boiler was working. Although the engineer identified some issues with it, Mr B told this Service that the boiler continued to work fine. Looking at the policy, this explained that it covered boilers, but that it didn't cover:

"Non-Emergencies

This policy does not include repairs for non emergencies. If any of the systems have a fault but is not a complete loss of service, we may be able to offer you a fixed price repair, but this will be outside of this insurance policy."

The Insurance Product Information Document (IPID) for the policy also said it covered:

“Major Faults Only

We only cover if there is fault that causes a complete loss of service we will charge a £95 callout fee per fault

For this product a complete loss of service means:

- A complete loss of all heating, hot water or both*
- A water leak which cannot be stopped and may cause damage to the property*
- Loss of all toilet and washing facilities so you have no access to working toilets or sinks*
- An electrical failure that means you have no functioning lights or no power at all, that is not due to a tripped fuse box.”*

And:

“Are there any restrictions on cover?

...

Minor Faults

We do not cover minor faults. If any of the above systems need a repair that is not classed as a complete loss of service, we can send an engineer to repair them for you but you will be required to pay a higher callout fee of £150”

So, the policy only covered a complete loss of service. But, the boiler hadn't suffered a complete loss of service. It continued to function. If Mr B wanted MICL to repair the boiler, this was something for MICL and Mr B to discuss outside of the terms of the policy.

MICL decided the boiler was BER. The main reference to this in the policy said:

“If your boiler is under seven years old and we declare that it is Beyond Economic Repair, we will provide and fit a replacement boiler of a similar make and model.”

Later in the policy, it also said:

“If it [the boiler] is over 7 years old we will not cover the cost of a new one but we can offer you a 15% discount towards a new one.”

It's my understanding that Mr B's boiler was more than seven years old. But he didn't want his boiler replaced. He wanted it to be repaired. So, I haven't thought about this aspect any further. Mr B's complaint doesn't relate to whether MICL should have offered to replace the boiler for free or offered a discount to replace it.

But, even if the boiler hadn't been assessed as beyond economic repair, there wasn't cover for repairs under the policy in Mr B's circumstances. The boiler was working and cover was only available for a complete loss of service.

As a result, I don't currently intend to uphold the complaint or require MICL to do anything else in relation to it.

I asked both parties to send me any more information or evidence they wanted me to look at by 10 February 2026.

Mr B replied. In summary, he said the boiler was working fine and the policy didn't say anywhere that there wasn't cover for old boilers. He also said he had left a bad review about the insurer. He then received a phone call he thought was from the insurer or the policy

administrator and was told that if he removed the review and withdrew his complaint that it would replace his boiler.

I asked MICL about this. It said it had contacted the policy administrator and they had no record of contacting Mr B in this way. It said it was unable to comment further. MICL also confirmed that it agreed with my provisional decision.

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 don't uphold this complaint and for the reasons given in my provisional decision. I've reviewed my decision again and haven't found any reason to change my view about what I consider to be a fair outcome to this complaint.

As part of that, I note Mr B has again confirmed his boiler was working fine. He has also said the policy didn't say there wasn't cover for old boilers. I don't think the age of the boiler is relevant. The issue is that the policy only covered major faults and this had to be a fault that caused a complete loss of service. Mr B has confirmed on a few occasions that his boiler continued to work. So, there wasn't a complete loss of service. This meant there wasn't cover under the policy. MICL would also sometimes carry out repairs where the customer agreed to pay for these. However, those repairs weren't under the insurance policy. So, I'm unable to comment on that.

I also asked MICL about the phone call Mr B said he received. MICL has said it didn't find evidence of a phone call of this nature being made. When Mr B explained to this Service about the phone call. He said he thought it was from the policy administrator but he wasn't sure who it was from or whether it was genuine. MICL has said neither it or the policy administrator made the phone call. I don't think I can usefully comment on this any further.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 March 2026.

Louise O'Sullivan
Ombudsman