

complaint

Mr K complains about Society of Lloyd's refusal to repair his boiler under his home emergency insurance policy.

background

Mr K took out a Home Plan insurance policy with Lloyd's in November 2014. In December Mr K had problems with his heating and hot water so he made a claim on his policy. An engineer attended his home the following day but informed Mr K that the policy wouldn't cover the repairs that were needed. This was because, in the engineer's opinion, the faults with the boiler were ones that had existed before Mr K had taken out the policy. Under the policy any damage caused by a fault that already existed was exempt. Mr K disputed the engineer's opinion and so Lloyd's agreed to send another engineer to give a second opinion.

In January 2015 the second engineer attended Mr K's home. He replaced the pump and the boiler started to work again. Unfortunately a leak then developed. The engineer considered this was caused by a blockage in the system which had damaged the boiler. This fault was again one that wasn't covered by the policy.

Mr K complained to Lloyd's about its refusal to repair his boiler. He argued that he had his boiler serviced every year and hadn't had any problems. The last service had been in October 2013 and no faults had been found with the system. So he thought these problems were new ones. Lloyd's didn't agree. But it did accept that the month's delay to get the second engineer to visit had caused Mr K inconvenience and distress. So Lloyd's offered Mr K £250 as a goodwill gesture to compensate for its handling of his complaint. Mr K refused the £250 and complained to us.

Our adjudicator didn't recommend that Mr K's complaint should be upheld. He considered that the repairs that were needed to Mr K's boiler weren't covered by the policy. But the adjudicator did think that the offer from Lloyd's of £250 was reasonable in light of the delay in the handling of Mr K's case. Mr K disagreed with our adjudicator's opinion and so the complaint was passed to me.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've seen the policy's terms and conditions which state that any defects that existed before the policy was taken out and which lead to damage to the system won't be covered. It also says any damage caused by dirt in the system won't be covered.

But Mr K has provided a report from another company who examined his boiler in August 2015. This report says that the pump didn't need changing and there weren't any blockages in the system. Mr K says this shows that Lloyd's were wrong and that its engineer caused the leak when he repaired the pump.

But I don't think I can rely on this report as providing proof Mr K's boiler didn't have any problems and that the engineer had caused the leak. This report was written many months after Mr K's boiler was seen by Lloyd's engineers. I think the gap between these inspections is too large for me to reasonably rely on what this new report says. It would mean that Mr K

hadn't had any repairs carried out for seven months even though there was a leak, I don't think this was likely.

I also think that although Mr K's boiler may not have had any problems when it was serviced in October 2013 this wouldn't mean there weren't any faults developing over the year before he took the policy out. Mr K didn't have any heating or hot water in December 2014 so something had gone wrong.

I've seen the list of faults that the first engineer reported as probably being the cause of the boiler not working. The second engineer replaced one of those identified parts. The boiler started to work and the leak was discovered. That engineer considered the leak was caused by dirt damaging the system. And that the dirt must have been in the system for a while. So both engineers considered that Mr K's boiler had problems that were present before he took out the policy.

Mr K had only taken the policy out one month before so there had been only a short time for a new problem to develop. And I've not seen any evidence that shows the engineer caused any damage to Mr K's boiler when replacing the pump. So I think Lloyd's opinion that the faults existed before he took out the policy was reasonable.

I agree that Lloyd's delay in getting the second opinion and the way it handled Mr K's case caused him distress and inconvenience. And I think the offer of £250 compensation was fair and reasonable. I would expect Lloyd's to honour that payment to Mr K.

So I'm not upholding Mr K's complaint as I don't have any evidence that his boiler's problems were caused by Lloyd's engineers rather than pre-existing faults.

my final decision

For the reasons I've given above I don't uphold Mr K's complaint. I make no award against Society of Lloyd's. But Lloyd's are to pay Mr K the £250 compensation they offered him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 13 November 2015.

Jocelyn Griffith
ombudsman