

complaint

Mr F complains about Acromas Insurance Company Limited's service under his home emergency policy.

background

Mr F took out a home emergency policy in February 2014. A term of the policy was that his boiler and central heating should be inspected within 42 days of taking out the cover. This was to check that the system was in "good working order". But Acromas never carried out this initial inspection.

In July 2014 Mr F made a claim under his policy due to a problem with his boiler. Acromas sent an engineer who re-pressurised it. He also made some recommendations for improvements to the system and flue but didn't report any leaks or other problems.

In January 2015 an engineer attended to carry out an annual inspection. He found the boiler to be unsafe. The flue was leaking gases and parts of the boiler and flue were badly corroded. He turned the boiler off. Acromas later told Mr F that his boiler was beyond economical repair. And as the boiler couldn't be repaired Acromas offered to either return Mr F's premiums or pay £250 towards a new boiler.

Mr F organised an independent engineer to inspect his boiler the day after Acromas switched it off. This engineer also said that the boiler was beyond economical repair. He suggested there may be faults with the boiler's gas valve and fan. And that leaking water had caused damage to its parts. The engineer said that if the boiler had been inspected earlier then the damage might not have been as bad.

Mr F replaced his boiler in February. He complained to Acromas as he thought it should pay for the cost of the new boiler plus other expenses he had incurred while he'd arranged for the replacement to be fitted. So Acromas arranged for an independent engineer to inspect the old boiler. This was carried out in April.

The independent engineer reported that the damage to the boiler had been due to a problem with the flue. This had caused the exhaust gases to condense back into a liquid and leak into the boiler causing corrosion. He didn't think that the problem would've necessarily been picked up by the engineer who had attended to the boiler in July. He also thought the boiler was too badly damaged to be worth repairing. Acromas declined Mr F's claim.

Mr F complained to this service. The case was investigated by our adjudicator. She didn't recommend that Mr F's complaint should be upheld. The adjudicator said that there wasn't any evidence that if Acromas had carried out the inspection in February 2014 it would've found the problem with the boiler. And even if an inspection had identified problems then this would've meant the policy wouldn't offer any cover unless they were fixed. Acromas would've cancelled the policy and repaid the premiums. She thought Acromas had acted fairly by offering to repay Mr F's premiums. Mr F didn't agree and the complaint has been 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 and the two engineer's reports. It was agreed by both of them that the damage to the boiler meant it was too expensive to be worth repairing. When this happens the policy provides for a payment of up to £250 to the policyholder. But the two reports disagreed about the cause of the problem. Looking at them, I think the independent report requested by Acromas is much clearer. So I think it's likely the boiler corrosion was caused by a problem with the flue.

Mr F says that it's Acromas' fault the boiler became so badly damaged. And as it didn't try to repair it he was left without heating and hot water for several weeks. But I've seen from the phone notes sent to us by Acromas that it told Mr F the boiler was beyond economical repair two days after its visit in January. So there wasn't any repair work Acromas could offer to do. I don't think there was any unreasonable delay in Acromas telling Mr F their view. I've also seen that Acromas offered him alternative accommodation and heaters.

Neither of the reports says the problem would've been obvious if the boiler had been inspected back in 2014. Mr F's engineer only says it 'may' have been. And Acromas' independent engineer says that as the boiler would've still worked the fault may not have been picked up during the callout in July. So I don't have any evidence that the corrosion got worse because there wasn't the initial inspection or because of faulty repairs.

If the fault with the flue had been found during that first inspection then Acromas had the right to cancel the policy. Or it could ask Mr F to pay for what it thought were suitable repairs. Corrosion is usually the sign of a longstanding problem. So it's possible any damage that had happened to the boiler by January 2014 wouldn't have been considered repairable by Acromas. This means the policy would've been cancelled.

Looking at the evidence I'm not upholding Mr F's complaint. I think Acromas' offer to either pay £250 or repay his premiums was fair and reasonable and is in line with his policy.

my final decision

I'm not upholding Mr F's complaint. Acromas Insurance Company Limited should pay Mr F £250 as set out in the policy but I don't require it to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 29 March 2016.

Jocelyn Griffith
ombudsman