

## **complaint**

Mr S complains that Inter Partner Assistance S.A. mishandled his central heating boiler breakdown insurance.

## **background**

IPA was the underwriter of Mr S's policy, which was in the name of a home assistance company. It said his boiler was beyond economic repair (BER). Mr S complained that IPA should refund his premium.

The adjudicator recommended that the complaint should be upheld in part. He thought that the terms and conditions of the policy weren't clear. He recommended that IPA should refund Mr S the premiums he had paid for the last policy year (excluding the cost of the annual service).

IPA agrees with the adjudicator's opinion.

Mr S disagrees. He says, in summary, that IPA should pay him 85% of the estimated costs of the boiler repairs.

## **my findings**

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

Where I refer to IPA I include other parties for whose actions I hold it responsible.

Mr S agreed to pay £240 for a year, at £20 per month. This included insurance cover and the cost of an annual service, which the documents say was £61.30 including VAT.

The policy summary "*your cover at a glance, protection for your boiler*" said the policy covered heat exchangers.

But the detailed policy wording didn't cover boilers which were BER – that is where the total cost of parts (including VAT) required to repair the boiler exceeded 85% of the current price for a boiler of the same or similar model.

If the boiler was BER, IPA would cancel the policy and refund the premium.

So the policy provided Mr S with cover subject to some terms and limitations. Although he hadn't claimed on it, I don't think the policy was one from which he could never benefit. So I don't think it would be fair and reasonable to order IPA to refund all his premiums.

Unfortunately – about seven months into the policy year - Mr S had to call for help with a leaking boiler, IPA said it was dangerous. Later it said that - as it needed new parts including a heat exchanger - it was BER. From the list of faulty parts, I accept that it was BER within the meaning of the policy. So Mr S wasn't entitled to anything towards repairs.

IPA said it would cancel Mr S's policy. But it turned down his request for a full refund

I think that the policy terms meant that – as Mr S was up to date with his monthly instalments – he wouldn't have to pay any more. But the policy terms aren't as easy to navigate as they might be. And overall I think it's fair and reasonable to hold IPA to its offer to refund Mr S the payments he'd made for the last year's premium less the cost of the annual service. I calculate this as follows:

paid	£140.00
less service	£61.30
refund	£78.70

I don't doubt that – by a delay in its refund - IPA has caused Mr S some upset and put him to some trouble. I don't think this was at a level which calls for a separate order for compensation. But I will order IPA to add interest at our usual rate.

**my final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. I order Inter Partner Assistance S.A. to pay Mr S:

1. £78.70;
2. simple interest on that sum at a yearly rate of 8% from 7 February 2015 to the date it pays him. If it decides it has to deduct tax from the interest element of my order, it shall send Mr S a tax deduction certificate when it pays him. He can then use that certificate to try to reclaim the tax, if he's entitled to do so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 29 December 2015.

Christopher Gilbert  
**ombudsman**