

complaint

Mr M complains that Society of Lloyd's is responsible for poor service under a home emergency insurance policy.

background

Mr M had a policy that covered (among other things) his central heating boiler. The policy was in the name of an insurance intermediary. The insurer responsible for dealing with claims was a syndicate at Lloyd's. Where I refer to the insurer, I include the intermediary, engineers and others for whose actions I hold the insurer responsible.

In August 2017 Mr M called the insurer for help with an intermittent noise from his boiler. The insurer's engineer didn't diagnose or fix any fault. But Mr M says he continued to notice the noise – and increasing gas consumption.

Mr M didn't renew the policy in February 2018. In May 2018 he paid an engineer £330.00 to replace the boiler's fan and a conveyor. Mr M complained that the insurer should've fixed those items in August 2017 – which would've prevented his increased gas consumption in the meantime.

our investigator's opinion

Our investigator didn't recommend that the complaint should be upheld. He thought that the policy covered "*damage*" defined as follows:

"...impairment requiring repair or replacement to restore operation arising from a cause not otherwise excluded."

The investigator thought that the only events covered by the policy were when the heating stops working. The noise, the broken fan and the cracked conveyor didn't stop the system from operating, so wouldn't be covered by this policy, he said.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr M and to Society of Lloyd's on 3 May 2019. I summarise my findings:

The words "*requiring repair ...to restore operation*" aren't enough to make clear a requirement for a total breakdown. So – unlike the investigator - I didn't think it was clear that the policy only covered a total breakdown.

The May 2018 report falls short of showing that the fan was faulty or the conveyor was cracked in August 2017 – or that the insurer's engineer should've identified such faults at that time. And the report says nothing about the faults causing an increased consumption of gas.

Subject to any further information from Mr M or from Society of Lloyd's, my provisional decision was that I wasn't minded to uphold this complaint. I didn't intend to direct Society of Lloyd's to do anything further in response to this complaint.

Society of Lloyd's agreed with the provisional decision.

Mr M said he had nothing further to add.

my findings

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

The Financial Ombudsman Service categorises central heating boiler insurance policies as "home emergency" policies. But Mr M's policy didn't contain a definition of "emergency".

It covered "damage" using the definition quoted above. That included the word "impairment". And the words "requiring repair ...to restore operation" aren't enough to make clear a requirement for a total breakdown. So – unlike the investigator - I don't think it's clear that the policy only covered a total breakdown.

The policy excluded under-floor heating. It also excluded the cost of repairs by engineers not authorised by the insurer.

In August 2017 Mr M called for help because of a noise. He didn't say that his boiler had stopped working. But the insurer sent an engineer. And the engineer didn't decline to help because the boiler hadn't broken down. Rather I think he tried to help but couldn't hear a noise or find a fault.

For me, the key question is whether Mr M can show that the insurer's engineer in August 2017 should've identified and fixed a faulty fan and cracked conveyor. I will come back to that.

In September 2017 Mr M noticed that his heating wasn't working. He called the insurer which sent another engineer. He thought that the problem might relate to a valve for the underfloor heating (not covered by the policy).

Before the insurer sent a more senior engineer, Mr M paid privately for an engineer. He said the first engineer had closed and not re-opened a valve. The insurer hadn't authorised Mr M's engineer. But it reimbursed his cost of about £60.00. I think this was on the basis that the insurer's engineer had carelessly left the heating not working in August.

Late 2017 and early 2018 brought some cold weather. So many people would've seen increased gas consumption.

Mr M didn't renew the policy. So in May 2018 he paid privately for a different engineer to service the boiler. He replaced a faulty fan and cracked conveyor at a cost of £330.00.

That isn't enough to show that the insurer's engineer should've identified and fixed a faulty fan and cracked conveyor in August 2017. Things could've changed in the intervening period of about nine months.

The only written report from the engineer in May 2018 is as follows:

"WATER INGRESS DOWN THE FLUE. SUSPECT THE CONVEYOR TO BE CRACKED AND SUSPECT THIS HAS BEEN HAPPENING FOR A LONG TIME AS THE MAIN HEAT EXCHANGER IS NOW BEGINNING TO RUST IN A FEW PLACES AND THE NOISE FROM THE BOILER IS A FAULTY FAN WHICH HAS

*BEEN AN ISSUE FOR SOME TIME NOW...NEW CONVEYOR AND FAN
REQUIRED”*

In my view that report falls short of showing that the fan was faulty or the conveyor was cracked in August 2017 – or that the insurer’s engineer should’ve identified such faults at that time. And the report says nothing about the faults causing an increased consumption of gas.

Therefore I don’t find it fair and reasonable to order the insurer to reimburse Mr M the £330.00 or to compensate him for his increased consumption of gas.

my final decision

For the reasons I have explained, my final decision is that I don’t uphold this complaint. I don’t direct Society of Lloyd’s to do anything further in response to this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr M to accept or reject my decision before 11 July 2019.

Christopher Gilbert
ombudsman