

## **complaint**

Mr K complains that Society of Lloyd's has unfairly declined to cover the problem with his central heating under his Home Plan policy.

## **background**

I set out the background to the complaint in my provisional decision which is attached.

## **my provisional findings and the parties' responses**

I said Mr K's engineer's report showed that his heating system hadn't been serviced in line with the manufacturer's instructions by the servicing company, and didn't require a power flush as diagnosed.

I thought that poor servicing had been a contributory factor in the failure of the heating system and suggested that Society of Lloyd's pay Mr K the £769 it cost him to have his own engineer do the work and £100 compensation for the trouble and upset he'd been put to.

Mr K agreed with the Provisional Decision. Society of Lloyd's made no comment but passed on a response from the servicing company that said it doesn't tell customers that services are to manufacturer's standards, and so it's unfair for us to say these haven't been followed.

The servicing company said Mr K's engineer reported that "the removed contamination which had built up over many years but the system did still not work". It said that would suggest the sludge/debris in the system had caused damage and failure of components and this is excluded by the policy.

## **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 looked again at the work Mr K paid for and the terms of the insurance. Having done so I remain of the view that Mr K's complaint should be upheld and for the reasons given in my Provisional Decision.

Mr K's engineer reported on a build-up of carbon in several places over a long period due to lack of cleaning. The engineer's photos show the carbon deposits and his report explains why the build-up of carbon causes a problem. The engineer explained why the servicing company's diagnosis was incorrect and describes the new parts required to restore the system to full working order.

Mr K's Home Plan says damage from sludge, scale or other debris isn't covered. But it also states that the annual boiler service includes checking and cleaning the condensate and filters, and further, 'Your boiler will not be replaced unless it has been serviced and maintained in accordance with the manufacturer's instructions'.

Mr K's engineer's report highlights two problems; an incorrect diagnosis by the servicing company's engineer, and a lack of basic cleaning during previous contracted services. I realise that the servicing company doesn't promise to service heating systems to manufacturer's standards, but it should be aware that by not doing so customers may be prevented from obtaining a replacement boiler under the policy.

From what I've seen Mr K's heating wasn't serviced in line with the servicing company's own standards, or the manufacturer's instructions. And I think this contributed to the failure of some of the components of Mr K's heating system. As a consequence I think it would be fair for Society of Lloyd's to pay Mr K for his repairs and parts, and £100 for the poor customer service he has received.

**my final decision**

For the reasons I have given it is my final decision that the complaint is upheld. I require Society of Lloyd's to pay Mr K the £769 it cost him to have his own engineer do the work to restore his heating system. I also require Society of Lloyd's to pay Mr K £100 compensation for the trouble and upset he has been put to.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 30 November 2017.

Andrew Fraser  
**ombudsman**