

## **complaint**

Mrs K complains against the Society of Lloyd's about damage caused to her boiler when work was undertaken by engineers under a Corgi Homeplan insurance policy.

## **background**

Mrs K held a Corgi Homeplan insurance policy, which provided cover for the central heating and the boiler at a rental property.

Mrs K's tenants found a leak from a valve, which was affecting a fuse board. In response to a call out, an engineer attended on 6 November. He recorded the radiator valve was leaking and it had been resealed. The system was recorded as being free from sludge. The engineer told the tenant that he had serviced the boiler.

Following that visit, the tenant contacted Corgi on 7 November to say that the radiators were all cold except one. No call out was made as Corgi said they needed to speak with the owner of the property.

On 26 November, a further call out was made as the boiler was cutting out and making banging noises. An engineer attended on 27 November. He checked the pump, bled the system, recorded there was no air in it and recorded that the boiler was not free from sludge. The tenant also recalled being told there was sludge in the boiler. The engineer recommended a powerflush and stated that the main heat exchanger was scaled up. Corgi advised that this wasn't covered under the policy. So no repairs were undertaken. The policy automatically renewed on 30 November.

When Mrs K spoke to Corgi in January, the adviser said he thought there was sludge in the boiler. At that point Mrs K contacted the original engineer directly, who said he could fix the boiler for £450.

As Mrs K had lost confidence and as the boiler was making a loud banging noise, she instructed an independent engineer to assess the boiler.

The independent engineer recorded there was a lack of water in the boiler and radiators, which had stressed the pump. He concluded that air had been pumping around the system since November and it was likely that the engineer that fixed the valve didn't top up or bleed the radiators. The engineer thought that whilst the boiler could be fixed, there remained a risk that it would break again. He recommended boiler replacement. Mrs K replaced the boiler at a cost of £2,689 and has confirmed that there was no sludge in the old boiler.

Mrs K believes that Corgi engineers damaged the boiler. She seeks reimbursement of her premiums along with the cost of the replacement boiler and cost of heaters her tenants purchased.

Initially it was maintained that the claim was declined in line with the policy terms and conditions. Subsequently, Lloyd's reviewed the complaint and offered Mrs K £450 towards the cost of repair and up to a further £50 for cost of heaters (subject to proof).

Our investigator considered the complaint. Initially, she thought that Lloyd's had been entitled to decline the claim as scaling was excluded under the policy. She also took into account that Mrs K chose to replace the boiler, whilst her engineer said it could also have been fixed. Our investigator pointed out that the maximum contribution for a replacement

(given the age of Mrs K's boiler) as at November 2017 would have been £400, but by February 2018 the boiler was outside the policy time limit for this contribution. Upon review of the offer, our investigator thought it was fair and reasonable. She took into account the delay between the boiler inspections in November and February and noted that even if Corgi had identified that replacement was needed in November, the maximum contribution would have been £400.

Mrs K doesn't agree. She maintains that the initial call out was for a leaking radiator and there had been nothing wrong with the boiler. She believes that the engineers failed to fill water into the radiators and didn't pressurise the system. Mrs K did not have receipts for the heaters.

As the parties do not agree, the matter has now come to me for a final decision.

### **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 to see whether Lloyd's have reached a fair and reasonable outcome on the basis of the evidence available. I've taken into account the parties' recollection of events and I've looked at the call out notes and engineer reports from the time. I'm mindful that no further evidence will be forthcoming as the boiler has now been replaced

Mrs K is adamant that the Corgi engineers damaged the boiler. I agree that a problem with the boiler was identified after the first engineer attended the property and at this point heating was lost. But it doesn't follow that the problems with the boiler were caused by the engineer.

Mrs K's engineer thought the system hadn't been bled in November. But that's at odds with the contemporaneous records from the second engineer, which state that the system was bled. I am also mindful that scaling of the heat exchanger was identified by the second engineer some three weeks after the first call out, but this is not commented on by Mrs K's engineer at all. And any fault with the heat exchanger caused by scaling would have been excluded under the policy, in any event.

It is also clear there has been a great deal of confusion about the presence of sludge in the boiler. Neither the first engineer nor Mrs K's engineer found any sludge. But its presence was recorded on Corgi's second visit. Again any fault caused by sludge in the boiler would have been excluded under the policy.

Looking at everything in the round, I am not satisfied that there is enough evidence to show that it is more likely than not that the problems with the boiler were caused by the Corgi engineers. It isn't clear what the cause of the problems was. And even if the original engineers had recommended a replacement in November, the maximum contribution under the policy for a boiler this old would have been £400. I've also taken into account that Mrs K's engineer said he could repair the boiler, albeit he couldn't guarantee that there wouldn't be further problems. The original engineer also told Mrs K that he could repair the boiler for £450. So it was also open to Mrs K to repair the boiler rather than incur the full cost of replacement.

Taking all this into account, I consider that Lloyd's offer of £450 is fair and reasonable. Mrs K hasn't provided any supporting evidence for the cost of heaters, so I won't be asking Lloyd's to contribute to them.

**my final decision**

I consider that the offer of £450 is fair and reasonable. I direct the Society of Lloyd's to pay Mrs K £450.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 20 June 2019.

Sarah Tozzi  
**ombudsman**