

complaint

Mrs G complains about the service she's received from Great Lakes Reinsurance (UK) SE under a home emergency policy, and that Great Lakes cancelled her policy.

I'll use 'Great Lakes' to include its agent.

background

In early November 2016 Mrs G took out home emergency insurance with Great Lakes. It inspected her boiler and agreed to the cover. Her boiler stopped working a few weeks later and she made a claim. Great Lakes sent out an engineer. The engineer said there was a blockage in Mrs G's central heating system, which needed a 'power flush' (to remove the sludge in the pipes). The power flush wasn't covered under the policy and Great Lakes told her she'd need to arrange and pay for this herself.

A few weeks later Mrs G called again saying her boiler's timer didn't work. Another engineer visited and said it needed a new pump and three point valve. But he also recommended a power flush first.

Mrs G said she'd had between three and five power flushes in the past. But Great Lakes said she didn't send any evidence of this. As a goodwill gesture it arranged for an engineer to fit a new pump and three port valve. But this didn't have any effect on the boiler's performance. An engineer then drained the system but there was still a blockage. As a result Great Lakes said it wouldn't give Mrs G any more assistance until a power flush had been carried out.

Mrs G wouldn't have the power flush carried out as she said this hadn't worked before and had damaged her heating system. Great Lakes said they were at an impasse, as a power flush wasn't covered under her policy and it couldn't do more to help her until this was done. So it cancelled her policy and refunded her premium. Mrs G came to us. She said Great Lakes had left her without a working boiler, and when she complained it cancelled her policy. She said Great Lakes hadn't refunded the premium.

Our adjudicator didn't uphold the complaint. He said Great Lakes' engineers told Mrs G several times that her heating system needed a power flush. It had agreed to attempt a repair, but ultimately this didn't work because the power flush was necessary. Great Lakes' decision to cancel the policy and refund her premiums was reasonable in the circumstances.

Mrs G said she'd not had a refund and the adjudicator contacted Great Lakes. Great Lakes said it would send her another one.

Mrs G also said she'd had power flushes in the past but they are dangerous and could make the boiler worse. Our adjudicator explained that the engineers' advice was that power flushes were needed. Mrs G hadn't given us any engineer's evidence to the contrary. And as Mrs G wouldn't have the power flush done Great Lakes was entitled to say it couldn't help her and cancel the policy.

Mrs G told our adjudicator she would send in evidence that a power flush was done. Her council had also sent Great Lakes evidence of an earlier power flush. She said Great Lakes' engineer drained her heating system and left her without heating and hot water. She'd not been given details of the work carried out. An earlier home emergency company 'B' had

done a power flush, but had told her this had damaged her heat exchanger. The Great Lakes engineer who changed her heating pump made mistakes. It then cancelled her policy after she complained. She's retired and in ill health and this is taking its toll on her.

my findings

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

Mrs G has earlier queried why the complaint is against Great Lakes. This is because the insurer for the home emergency policy is Great Lakes. She's dealt with a different business. But Great Lakes is the insurer of the policy and the business that's responsible for the claim and cancellation of the policy.

I'm sorry to hear Mrs G is in ill health. But I don't think Great Lakes must carry out any further work, reinstate Mrs G's policy or pay her compensation. I'll explain why.

I'm satisfied from Great Lakes' evidence that its engineers reported sludge in her heating system. This had been reported by her previous home emergency insurance company as well, and we've decided a separate complaint about that.

Mrs G might have had a power flush carried out in the past. But I think Great Lakes was entitled, under the policy, to ask her to have a new power flush carried out before it did any further work. I've not seen any evidence a power flush was carried out after it told her this was what she needed to do. It's not something that is covered under the policy terms.

I think Great Lakes acted fairly when it decided to try to repair Mrs G's boiler even though she'd not had the power flush carried out. It replaced some parts including the pump, which its engineer said had failed. The engineer said the pump was cutting out due to circulation issues due to the sludge. The heating system was old, even though the boiler was only a few years old. The system didn't have a Magnatec filter attached, and there was a lot of silt coming from the radiators when they were drained. I think Great Lakes clearly explained this to Mrs G during its many phone calls with her.

The new pump and valve didn't resolve the problem. I've seen the engineers' comments and report. I don't think the evidence supports that Great Lakes damaged Mrs G's heating system. The notes say the first engineer left her with intermittent heating and hot water. The second engineer did need to drain the system to try to resolve the fault. She's not sent us any independent engineering evidence to show Great Lakes made mistakes or damaged her boiler and heating system. There's a note on the file to say that Mrs G had some heating (but not hot water) after the system was drained but the heating wasn't as hot as usual.

After replacing the pump and draining the system to try to resolve the problem Great Lakes wouldn't do any more work until Mrs G had the power flush done. She's explained why she is concerned a power flush might damage her heating system. But I've not seen any other evidence to show that might happen. And I think Great Lakes was entitled to say it wouldn't continue to cover her heating system when she refused to arrange a power flush.

Great Lakes agreed to refund Mrs G's premiums. I don't think it had to do that because it carried out some work under her policy. As Mrs G says she didn't get the original refund I see it's agreed to send her a replacement refund cheque, which was reasonable.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 27 January 2017.

Amanda Maycock
ombudsman