

complaint

Mr B is unhappy with the service provided by Domestic and General Insurance Plc (D&G) following the breakdown of his boiler.

background

In December 2016, Mr B reported a fault with his boiler and an engineer attended. In January 2017 Mr B contacted D&G again saying the original fault didn't seem to be fixed. D&G arranged for a further visit to be made. Mr B called again in February 2017 as the ignition was not working properly and, following the engineer's attendance, the gas supply was capped whilst parts were ordered.

D&G advised the parts were no longer available, the boiler was considered not repairable. It said the policy will cover the cost of the repair, less any outstanding fees due. Mr B was unhappy with this offer as he felt the previous repairs were not carried out correctly and caused his boiler to be in an unsafe condition. D&G agreed to waive the fees as a gesture of goodwill and also awarded compensation of £50 for the previous repairs and £20 for a period where he was without hot water and heating.

Mr B remained unhappy with this offer as he doesn't feel this is fair compensation for what happened.

Our investigator looked at the complaint and felt that D&G should do more in this case. He felt D&G should be paying towards the cost of the replacement of the boiler up to the policy limit as this was considered a write off. He felt the policy terms were unclear.

I sent Mr B and D&G a provisional decision on 28 July 2017. In it I said:

The investigator confirmed the policy doesn't include cover to replace the boiler and it covered the costs of repair only. But he doesn't think D&G should be restricting their payment to the last known cost of repair when the boiler will need to be replaced. He said as D&G has deemed the product beyond repair then it should pay up to the policy limit for a replacement.

I've looked at the policy terms and, whilst I appreciate the last known cost of repair is a lot less than the policy limit, I don't agree the wording is unclear on what Mr B is entitled to.

The policy says the boiler will be repaired unless there is a reason why it can't be, giving examples such as it is unable to be repaired, parts needed can't be obtained or the cost of repair would be more than the replacement or more than the policy limit. And in the case of Mr B's boiler, the parts were no longer available so D&G couldn't repair it.

The policy goes on to say if this happens it will pay the lesser of either:

*“our repairer's estimated cost of the repair (this will often be the manufacturer's fixed price repair charge); or
the balance of the policy limit.”*

The policy limit on Mr B's cover is £1,500 and the estimated cost of repair is £615.50. And so on this basis D&G are only required to pay Mr B the lower amount.

The policy also states what happens to the outstanding fees if the boiler is written off. It says any outstanding fee due for the policy can be deducted from the settlement figure. D&G initially deducted the remainder of the year's fee from the cash offer and I feel it was entitled to do so.

Mr B complained about the quality of the initial repairs, which he felt led to the early failure of the boiler. And at one point he'd been without heating and hot water over a weekend in February. D&G has offered compensation totalling £70 for this and has agreed to waive the outstanding fees on the cash offer. But Mr B didn't think this was enough. D&G has provided information to explain the need for each repair and it appears to me these were all individual faults.

Unfortunately ageing appliances can suffer from faults and it is common for these to increase in number as time goes on. So, whilst I appreciate Mr B's concerns over safety, I haven't seen any evidence to support that any repair arranged by D&G was substandard or left the boiler in a dangerous condition. On this basis, I believe the compensation offered is fair.

I asked both parties for comment. Mr B is unhappy with the provisional decision but offered no further points for me to consider. And D&G acknowledged receipt of the decision and also provided no further comments.

my findings

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

Neither party has provided any new evidence or arguments, my final decision remains as outlined in my provisional decision – for the same reasons.

my final decision

For the reasons I've given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 September 2017.

Angela Casey
ombudsman