

complaint

Mr K complains that AXA Insurance UK Plc unfairly declined a buildings insurance claim for damage to his boiler.

background

In November 2017, Mr K became aware of a problem with his boiler. An engineer looked at it and said the ball valve in the tank had seized. This was replaced, but had caused lasting damage to the boiler. As a result, when the boiler returned to normal function, it cracked and water leaked from the boiler.

Mr K had to replace his boiler, in total the cost of identifying the problem and replacing it was over £6,700. He submitted a claim to AXA to cover the cost of this under his buildings insurance policy.

AXA declined the claim. It said from the engineer's report that the damage to the valve had happened over time, and this caused the boiler to break. It said this was therefore down to wear and tear and not covered by his insurance policy.

Mr K complained to AXA. He said the ball valve seizing had been a silent failure, and one he couldn't have known about. And he said the damage to the boiler was an accident induced by the silent failure of the ball valve in the system's tank. He said the boiler had been serviced just a few months prior to the failure. AXA didn't change its position so Mr K complained to us.

Our investigator thought AXA were entitled to decline the claim. She thought the damage was caused by wear and tear.

Mr K didn't agree. He said his policy covered him for water escaping from water tanks or a pipe, which is what had happened. As Mr K didn't agree, the case has come to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've reached the same outcome as our investigator. I'll explain why below.

Under Mr K's buildings insurance policy, he's covered for:

"Loss or damage to your buildings caused by:

5. Water freezing in or escaping from water tanks, pipes, fixed equipment or fixed heating installations. We will also pay costs that you incur in finding the source of the damage to your home. This includes reinstating walls, floors or ceilings that are removed or damaged during the search following loss or damage."

When Mr K's boiler leaked, it did so on to his garage floor and was discovered quickly. So there wasn't any damage caused to his property as a result of this. So the only thing for me to consider is whether AXA should pay for the replacement of Mr K's boiler.

The damage to Mr K's boiler must be caused by an insured event for me to ask AXA to pay his claim. Mr K says it was accidental damage. But I don't think this is the case. Accidental damage isn't defined in the policy, but an everyday meaning would be something that is sudden and as a result of an external cause. The ball valve was in the tank in Mr K's loft, so I don't think any external force accidentally caused it to be damaged. And Mr K's own engineer said the ball valve failure seemed to have happened over time, in that it's seized up and was no longer able to move with the water in the tank. I don't think this amounts to accidental damage.

Mr K has argued that even if the failure of the ball valve isn't covered, because it was down to wear and tear, the damage to the boiler should be covered under accidental damage. He says it was the ball valve's failure that accidentally caused the water loss in the pipes. This ultimately caused air to enter the system and overheated the boiler, causing it to fail. But the cause of the damage to the boiler wasn't an accident. It was a direct result of the failure of one of its parts. So I don't think the boiler has been damaged by a peril covered by Mr K's policy

I've also considered that even if it was covered under accidental damage, AXA has relied on the wear and tear exclusion to decline the claim. It says:

Wear and tear

Any loss or damage caused by wear and tear, depreciation, mechanical or electrical breakdown, the effects of light or the atmosphere, mould, dry or wet rot or fungus and the costs that arise from the normal use, maintenance and upkeep of the buildings or contents.

Looking at the report from the engineer who attended the property, he said the ball valve had failed. And this had caused damage to the boiler over time. Due to the age of the boiler, and the comments from the engineer, I think AXA is reasonable in relying on the exclusion for wear and tear.

For the reasons outlined above, I don't think AXA needs to cover the claim for Mr K's boiler.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 June 2018.

Michelle Henderson
ombudsman