

complaint

Mr A's complaint is about the refusal of a claim under his home emergency insurance policy.

The parties will see that I've changed the 'respondent' from Collinson Insurance Services Limited to Astrenska Insurance Limited.

This is because we have no jurisdiction over Collinson Insurance Services Limited for a complaint about the handling of this insurance policy, as it is not the insurer. This is an important legal technicality but it does not affect the outcome of the case and as Collinson Insurance Services Limited responded to the complaint on behalf of Astrenska Insurance Limited there's no need for it to review the matter again or issue a further final response.

All references to Astrenska in this decision should be read as including Collinson Insurance Services Limited.

background

On 26 January 2019, Mr A called to report an issue with the heating in a property he rents out. I understand the heating would only stay on for a few seconds and then cut itself off. Astrenska sent an engineer out who apparently said he would come back with the required part. However, after chasing this up with Astrenska, Mr A was told that the claim wasn't covered under the policy. Astrenska said the problem was the result of a faulty wireless thermostat and this isn't covered.

Mr A therefore bought and fitted a new thermostat himself. However he found this did not resolve the problem. The fault was apparently with the radio receiver for the thermostat. The receiver is fitted to the boiler itself. Mr A says that as it was not the thermostat itself that was faulty, Astrenska should cover the cost of the part, the additional expenses he incurred and also pay some compensation to his tenant who was without heating for days.

Mr A says there was no way of bypassing the thermostat and therefore the boiler would not work at all. As the boiler was not working, the claim should have been covered. The blanket failure to cover thermostats is at odds with a policy designed to keep the heating on and is therefore an unfair restriction of cover.

Astrenska maintained its position but after Mr A complained offered £50 compensation, as its engineer should have made the position clear earlier on.

One of our investigators looked into the matter. He did not think that the complaint should be upheld, as he considered the receiver was effectively part of the thermostat. As thermostats aren't covered by the policy, he therefore didn't think Astrenska did anything wrong by refusing to cover the cost of the claim. The investigator thought that Astrenska's offer of compensation was reasonable.

Mr A does not accept the investigator's assessment, so the matter has been passed to me.

my findings

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

No policy of insurance will cover every single eventuality. Cover is usually provided for certain specified insured events, subject to terms and conditions.

Mr A's policy covers the "*complete failure of Your central heating system involving a boiler or warm air unit*". This is subject to a number of exclusions including the exclusion of, "*any costs relating to the repair or replacement of ... wall or room thermostat.*"

There is nothing inherently unfair with this exclusion and it is not uncommon in such insurance policies.

I can see the force of Mr A's argument that the boiler wasn't operational at all as there was no way of manually overriding the thermostat. However, overall I am not persuaded that this means the claim was covered. The policy is sufficiently clear in my opinion. It excludes any faults with the thermostat. It seems reasonable to me to deem this to be the whole operation of the thermostat so the way it sends and receives signals. And there was nothing to repair on the boiler itself, so the claim can't reasonably be considered to have been a boiler fault. I do not therefore consider that Astrenska acted unfairly in refusing the claim.

It follows that I also do not consider that it is responsible for any expenses incurred by Mr A in replacing the thermostat and receiver.

Finally, I can see that the engineer knew the fault was with the thermostat when he first attended and so Mr A could have been told this sooner than he was. I agree that the £50 offered is reasonable compensation for this. I do not intend to ask Astrenska to pay anything further.

my final decision

I do not uphold this complaint against Astrenska Insurance Limited as I consider it has already made a reasonable offer of settlement in all the circumstances of the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 June 2020.

Harriet McCarthy
ombudsman