

complaint

Mr F complains Inter Partner Assistance SA (IPA) declined his claim for repair of his boiler when he feels his home emergency policy should have covered this.

All references to IPA include its agents which includes the business the investigator referred to in his correspondence

background

Mr F took out a home emergency policy as an add-on to his home insurance policy with another provider in June 2018. The home emergency part of the policy is underwritten by IPA. Later that year Mr F had problems with his boiler. He contacted his home emergency provider who sent out an engineer, Mr F says the engineer told him it would cost about £500 to put right. Mr F didn't hear further and when he contacted the insurer again he was told the boiler repairs weren't covered as the boiler was beyond economic repair (BER) so his claim was declined.

Mr F complained to his insurer about this and says he was offered £150; he declined this as he felt he should be entitled to the £500 repair costs. He later saw that £50 had been put into his bank account. When Mr F phoned up to query this the insurer told him it had looked into his complaint and under the policy terms repair or replacement of boilers declared to be beyond economic repair isn't covered so it didn't uphold his complaint. But IPA had paid him £50 for the delay in responding to his complaint. Mr F wasn't happy with this so brought his complaint to us.

IPA said that the policy specifically excluded boilers that are uneconomical to repair, so this was the correct decision.

Our investigator didn't think Mr F's complaint should be upheld. He said that insurance isn't there to cover all eventualities and under the policy boilers beyond economic repair aren't covered by the policy so he didn't think the insurer needed to do anything more. He thought the £50 for the delay in getting back to Mr F was also fair.

Mr F didn't agree with this, he felt that the policy terms covered complete failure of the heating system, so he didn't understand how his repairs wouldn't be covered. He didn't feel the cost of the repair should alter the fact that the heating system had failed. He acknowledged the exclusion clause but said if the boiler can't be repaired, then that must be a failure of the heating system which the policy should cover. He also confirmed that he was originally told that it would be less than £500 to repair.

As Mr F didn't agree the case has been passed 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.

I've looked carefully at the policy Mr F had with IPA, and I can see that complete breakdown of the heating system is an insured event – ie this is something that the policy covers. But the cover is subject to policy terms or exclusions. In this circumstance the relevant exclusion clause that IPA relied on was *repair or replacement of boilers declared as Beyond*

Economical Repair by their third party contractor. So what I need to decide is whether IPA acted reasonably in applying that exclusion clause.

I looked at the definition of BER in Mr F's policy. This says it is *where we estimate that the cost of repairing your primary heating and/or hot water system would be more than its current value or that we are unable to obtain spare parts to repair it.*

I think in order to decide if IPA can fairly rely on the exclusion term it needed to have looked at the estimated costs to repair the boiler and an estimate of the current value of Mr F's boiler at the time –including the make and model and the fact that the boiler wasn't brand new. I've seen evidence from IPA showing the estimated costs of repairing the boiler and this shows this to be over £1000, and combining this with the details of Mr F's boiler at the time, I think that on balance it is reasonable for IPA to rely on this policy exclusion as it considered the cost of repairing the boiler to be more than its current value. So I don't think IPA needs to cover the repair costs.

Mr F has said that he was initially told that it would cost less than £500 to repair his boiler. However, IPA's claim notes confirm that it was shortly after Mr F had made his claim that it was confirmed to him that the boiler was beyond economic repair. Overall, my view is that IPA's estimate of the repair costs being over £1,000 was a reasonable one.

But I don't think IPA was very clear with Mr F about the reasons for declining the claim – including Mr F believing the boiler was repairable by the first engineer. I think IPA could have explained how it came to that conclusion at the time, including sending Mr F the relevant costs information.

I've sent Mr F the costings report and the details IPA had about Mr F's boiler at the time, so he could comment, because I think those pieces of information are directly relevant to deciding if IPA were fair.

I suggested to both parties that IPA should pay £150 for the inconvenience he was put to through not being clear at the time about the reasons for declining the claim. IPA has agreed this. Mr F hasn't commented.

So carefully considering everything in this case, I think that it is reasonable that IPA declined Mr F's claim for his repairs to his boiler, but I think it could have been much clearer in explaining why it had taken this decision, so for this reason I award Mr F £150 for the inconvenience caused. This is in addition to the £50 he has already been paid.

my final decision

My final decision is that I uphold this complaint in part, I require Inter Partner Assistance SA to pay Mr F £150 compensation. This is in addition to the £50 he has already received.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 30 August 2019.

Clare Barker
ombudsman