

complaint

Mr A has complained about the decision of Domestic & General Insurance Plc ("D&G") to decline his claim for damage to his boiler and cancel his warranty.

background

Mr A made a claim under his policy after his boiler started to display a fault code. Following an initial inspection by a D&G appointed engineer, Mr A was informed that a new part would be required for the boiler. However, when another engineer returned to fit this part, he concluded that the boiler had not been installed correctly. Based on the second engineer's findings, D&G stated that it would not be covering repairs, and it cancelled the policy.

Mr A approached the installer of the boiler, and it stated that the installation was in line with the manufacturer's guidelines. In response, D&G stated that if Mr A were to arrange for the manufacturer to inspect the boiler, it would reconsider its position. D&G stated that if the boiler is found to be correctly installed, it will carry out the required repair and meet the cost of the manufacturer's callout. However, if the boiler is found to be improperly installed, Mr A would need to meet the manufacturer's callout cost.

Unhappy with D&G's proposal that he arrange an inspection by the manufacturer, Mr A brought a complaint to this service.

Our adjudicator upheld this complaint. His view was that as the reports from D&G's engineer and Mr A's installer came to different conclusions regarding the adequacy of the boiler's installation, it was for D&G to arrange a further inspection of the boiler. Even if this resulted in the claim being declined, the adjudicator stated that the manufacturer's callout costs should be borne by D&G.

D&G disagreed with the adjudicator's findings. It suggested that if, following an inspection, the manufacturer concluded that the boiler had not been correctly installed, the installer should cover the manufacturer's callout costs.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

D&G has accepted that it should pay for the cost of the manufacturer inspecting Mr A's boiler, if this inspection concludes that there is no installation fault. However, it considers that if the manufacturer agrees with its own engineer that there is such a fault, it should not have to cover this cost.

The expert evidence currently available reaches different conclusions about Mr A's boiler. D&G's engineer states that the boiler has not been correctly installed, whilst the installer disagrees.

Having considered the comments from the installer, D&G accepted that it would reconsider its stance on the claim if the manufacturer inspected the boiler. My understanding is that D&G's decision to decline the claim and cancel the policy was based upon its conclusion that the boiler had been incorrectly installed. The further comments from the installer cast doubt on this conclusion.

In the circumstances, it seems to me that to determine whether its decision to decline the claim was a fair one, the onus falls on D&G to both arrange an inspection by the manufacturer, and to pay for the cost of that inspection. Even if the manufacturer were to find that the boiler had been incorrectly installed, my view is that it would be for D&G to cover the cost of the manufacturer's callout to inspect the boiler, as part of D&G's overall claim handling costs.

My conclusion therefore is that it falls to D&G to arrange the manufacturer's inspection of the boiler, and cover the cost of this inspection, regardless of its outcome. If it is concluded that the boiler has been correctly installed, D&G will need to deal with the boiler's repair, subject to the terms of the policy.

my final decision

My final decision is that I uphold this complaint, and require Domestic & General Insurance Plc to carry out the following actions:-

- Arrange for an inspection of Mr A's boiler by the manufacturer to determine whether it has been correctly installed.

Regardless of the outcome of this inspection, Domestic & General Insurance Plc will be liable for the cost of the inspection.

- If the result of the manufacturer's inspection is that Domestic & General Insurance Plc would be liable under the policy for the cost of repairing the boiler, to any cash payment due should be added simple interest at 8% per annum (less tax if deductible) from the date of loss to the date of settlement.

John Swain
ombudsman