complaint

Mrs K complains about Acromas Insurance Company Limited's decision to cancel her home emergency insurance policy after it said that her boiler should never have been covered.

background

Mrs K took out the policy in early February 2015, to cover the boiler at a tenanted property. The boiler was serviced in April 2015, and the engineer was told it hadn't been working since March 2015. There were apparently a number of problems with the boiler, including a leak.

Acromas said that it couldn't deal with the repairs as the problems appeared to have been ongoing since before the policy was taken out. I understand there was some paperwork shown to the engineer when he attended which was left by a previous engineer who had attended to the same fault with the boiler in November 2014.

Acromas also later said that the policy specifically excluded 'thermal store' boilers such as the one Mrs K had.

Mrs K is unhappy with this. She says the boiler was in fully working condition at the time of the annual service and didn't break down until May 2015. The service was intended to validate the cover and once this was done she felt she had peace of mind that her boiler was covered. She wants Acromas to pay for a new boiler, loss of rent while the boiler wasn't working, increased utility bills and compensation for the trouble it has caused her. Mrs K also says that she now can't get any other insurance for the boiler, as it has broken down, whereas if Acromas had told her it wasn't covered earlier, she could have got alterative cover.

Acromas refunded all the premiums she had paid under the policy, and apologised for not identifying the type of boiler Mrs K had during the annual service, but didn't agree to pay any other costs.

One of our adjudicators looked into the case. He didn't think that it should be upheld, as he thought the policy terms were clear that the type of boiler Mrs K had wasn't covered, even though he didn't think there was enough evidence that the faults pre-existed the policy.

my findings

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

Mrs K says that her boiler was working properly at the time of the service but the notes taken by the engineer say there were a number of faults that the tenant had said had been present for a month. He records that he got the boiler working again and serviced it but there was corrosion from a leak and there were likely to be many other problems in the future due to the condition of the boiler.

On 19 May 2015 the tenant called to say the boiler wasn't working. The engineer attended and said the problems were due to the leak previously identified. I understand Mrs K was told on 22 May 2015 that the boiler wasn't covered due to it being a thermal store type and because the faults were though to have pre-existed the start of the policy.

Acromas should never have agreed to provide cover for Mrs K's boiler. It had the chance to identify this when it first carried out the annual service shortly after she took out the policy and I can understand Mrs K's disappointment that this didn't happen. However, I'm not convinced that its failure to tell her then, has caused the detriment that she has claimed. I say this because although the engineer managed to get the boiler working in April 2015, he found a number of significant problems with the boiler, which he recorded were going to inevitably cause the boiler to fail. This is exactly what happened. This is also supported by the tenants telling him that the boiler hadn't been working prior to April 2015.

Therefore, Mrs K would have had difficulty getting any other insurer to cover the boiler, as the problems with it existed before April 2015, (i.e. the first chance that Acromas could have told her that it wouldn't cover her). It follows therefore that I don't think any compensation or loss of rent is warranted, or do I think that Acromas is responsible for paying for a new boiler. I also don't see any reason why Acromas is responsible for any increased utility bills.

my final decision

I don't uphold this complaint against Acromas Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 19 February 2016.

Harriet McCarthy
ombudsman