

## **complaint**

Mr L complains that Society of Lloyd's gave poor service under a home emergency policy.

## **background**

The Financial Ombudsman Service deals with complaints against insurers and other regulated financial firms. We deal with complaints about regulated activities and activities ancillary to regulated activities.

Mr L had insurance cover for his central heating boiler. The policy was in the name of an insurance intermediary. The insurer responsible for dealing with claims was a syndicate at Lloyd's. Where I refer to the insurer or Lloyd's, I include the intermediary, its engineers and others for whose actions I hold the insurer responsible.

Mr L complained that the insurer hadn't serviced his boiler properly.

Our investigator didn't recommend that the complaint should be upheld. She dealt with the complaint as a complaint against the intermediary. She thought that it had acted fairly and reasonably in the circumstances.

Mr L disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint.

He says, in summary, that the annual service reports said the boiler was in good working order. The intermediary never reported any of the faults to him. But he didn't renew the policy in January 2018. Instead he took out a different policy. The new insurer's engineer inspected the boiler in July 2018. He said it was the worst boiler he had ever seen and couldn't believe it had ever been serviced at all, Mr L says.

## **my findings**

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

Mr L's boiler was installed in 2007, according to the reports of the insurer and the new insurer.

In about November 2012 Mr L took out the policy through the intermediary. It says it fixed a fault in December 2012. Its records show that Mr L's boiler had been leaking and had started to rust.

The records show annual service visits in 2013, 2014, 2015 and 2016. And from time to time, the intermediary also visited to do repairs under the policy. On some of its visits the intermediary recorded that the boiler looked dirty because of old leaks.

In January 2017 Mr L renewed the policy. I've seen the policy schedule. It says that the intermediary will do an annual service. It says that the service isn't covered by the insurance. And it says that the annual service costs about £50.00.

But that cost is part of the annual insurance premium. And Mr L couldn't choose to opt out of having that service and paying for it.

So I find that the annual service – at least in 2017 – was a regulated activity or ancillary to a regulated activity about which Mr L was entitled to bring his complaint to us.

Lloyd's sent a final response letter on 18 September 2018 saying that the complaint should be against the intermediary. But I hold Lloyd's responsible for complaints about the quality of the annual service under the policy. And I think the intermediary has dealt with this complaint on behalf of the insurer.

I accept that In April 2017, the intermediary did its most recent annual service.

Later in 2017 the intermediary did some repairs under the policy.

From January 2018 Mr L decided to change to a new insurer. It did an inspection on about 12 July 2018. Its engineer reported as follows:

*“Boiler in poor state need a full strip down and need new gas valve and expansion vessel and that just for starters boiler never been serviced as per instructions”*

Mr L says the new insurer cancelled the new policy. And Mr L says he hasn't been able to get replacement cover at all. So I can see why Mr L complained that the insurer hadn't serviced his boiler properly in 2017 and previous years.

But the intermediary's records show that it had done a service each year up to and including 2017.

The new insurer's engineer didn't like the look of the boiler. He said it needed at least a new gas valve and expansion vessel.

But his report doesn't give any details of what he thought the intermediary had failed to do on the service visit. And over a year had gone by between the annual service visit in April 2017 and the report from the new insurer's engineer in July 2018. So I'm not persuaded that the insurer's engineer had fallen below a reasonable standard of service.

I don't find it fair and reasonable to order the insurer to pay compensation to Mr L or to do anything further in response to his complaint.

### **my final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I do not direct Society of Lloyd's to do anything further in response to Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 11 March 2019.

Christopher Gilbert  
**ombudsman**