

complaint

Mr T complained about Domestic and General Insurance Plc's (D&G) handling of a claim under his boiler protection insurance policy.

background

In March 2019 Mr T's boiler broke down and he contacted D&G, who sent an engineer to inspect it. The engineer provided a report and said that it wasn't economical to repair. Mr T then paid around £3,000 for a new boiler. D&G paid him £750 towards his new boiler and said this was the maximum it would pay in these circumstances, under the terms of the policy.

Mr T was unhappy with D&G's service and complained. He said the engineer broke the boiler when he came to repair it because it had briefly restarted before the engineer arrived. Mr T also said because annual service notifications weren't sent by D&G these were never arranged and his boiler wasn't serviced for two years. He feels this contributed to the breakdown and also meant that D&G breached its contract with him. Mr T was also unhappy that D&G kept referring him to different departments and to the boiler manufacturer instead of dealing with his complaint. He added that the amount D&G offered wasn't as much as the cost of a replacement boiler.

In addition to the £750 it paid towards the boiler, D&G offered to refund Mr T £159.74, which it said represented the amount he had paid for the annual boiler service for the two years it wasn't carried out. It also offered £20 for the trouble and upset this matter has caused and for being transferred to different departments when calling.

Mr T wasn't happy with D&G's response and complained to us. He said D&G's engineer broke the boiler. He added that D&G breached its contract with him in that it continued to collect a monthly premium without providing a full service which included an annual boiler service. He said he wanted a full premium refund and a contribution towards the cost of the new boiler. He also said D&G should pay £250 to cover the cost of him making calls and sending emails to it.

One of our investigators considered the complaint but didn't think it should be upheld. Our investigator didn't think that Mr T was put in a worse position than he would've otherwise been in by the fact that the annual service hadn't been carried out. He said this was because, according to the only available expert evidence, the reason why the boiler wasn't economical to repair was because an essential part- the printed circuit board (PCB)- had become obsolete. He also didn't think that an annual service would've identified this issue, even if one had been carried out.

Mr T didn't agree and asked for an ombudsman's decision. He said the engineer's actions clearly damaged the boiler beyond repair and also that D&G should compensate him for breaching its contract with him by damaging his boiler and not carrying out the annual service.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so I've decided not to uphold

Mr T's complaint. I understand this will come as a disappointment to him but I'll explain my reasons for doing so.

Mr T's policy covers repairs to his boiler and it also says that D&G will pay up to £750 per year for repairs or towards a new boiler. And his cover included an annual boiler service as an additional extra.

Mr T said that D&G breached its contract with him because it didn't carry out the annual boiler service. D&G accepts that Mr T had opted for this additional extra and also that the last service was in 2016. It said that it was for Mr T to call and arrange these appointments and that this was on his renewal documents. Mr T has provided copies of some of his renewal letters but I couldn't see that they did say that it is for him to arrange his annual service. Nevertheless, I note that D&G has refunded the cost of the annual service for two years and I think this is fair and reasonable because Mr T didn't benefit from that service.

Mr T said that he should receive a full premium refund over those two years but I don't think that should be the case. If D&G were to refund his premium, as if his policy never existed, then it wouldn't have any obligation to pay Mr T anything under his policy and this includes the £750 it paid towards his boiler. As the only part of the policy that wasn't offered was the boiler service, I think it's fair that this is the only part that should be refunded.

Mr T said that had the annual boiler service taken place his boiler wouldn't have been declared as being "beyond economic repair" (BER). He said the reason for this is because the condensate trap wouldn't have been allowed to become blocked, which is what caused damage to other parts of the boiler.

D&G said an annual service is a visual assessment of the boiler and flue and also includes a measurement of emissions. From what the engineer said an annual service would've included an appliance performance check, a gas pressure and flue check and also a check of some of the safety devices, heat exchangers, seals, burners and controls. So, based on this, neither the condensate trap nor the PCB would've been included in that check. So, on balance, I don't think the annual service would've prevented the boiler being declared BER.

In any case, regardless of what the annual service involves, without any expert evidence to suggest otherwise, it isn't possible for me to conclude that the annual service would have, on balance, prevented the boiler being declared BER two years later.

Mr T also said it was the engineer that broke the boiler. He said that when the engineer loosened the condensate tube this caused the heat exchanger to flood with water and the PCB to trip and blow out. I've considered the engineer's report, which as far as I am aware is the only expert evidence available, which states that there were four replacement parts of the boiler which were needed - the heat exchanger, burner door seals, PCB and transformer. The report doesn't support what Mr T said and as it is the only expert evidence available, I think it was fair and reasonable for D&G to rely on it. And as the PCB was the part that was obsolete (according to the manufacturer) the boiler was deemed to be BER.

D&G paid Mr T £750 towards his new boiler. This is in line with its policy terms so I think it acted reasonably in doing so.

Mr T was also unhappy with D&G's service. He said he had to keep sending chasing letters and he had to ask for its final response letter three times. D&G offered Mr T £20 for the distress and inconvenience it caused him. I note that D&G was quick to reimburse Mr T the

cost of his annual service and also to settle the claim. Taking everything into account, I think the compensation D&G offered is in line with what I would've awarded in these circumstances so I won't be asking it to pay any more.

I appreciate Mr T will find this decision disappointing but for the reasons I've given above I think D&G has already done enough to put things right. So I think it's dealt with Mr T fairly and reasonably.

my final decision

For the reasons above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 8 November 2020.

Anastasia Serdari
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