

## The complaint

Mrs B complains about the way Evolution Insurance Company Limited has handled a claim under her boiler insurance policy.

Where I refer to Evolution, this includes the actions of its agents and claims handlers.

## What happened

In November 2023, Mrs B renewed her boiler insurance policy with Evolution. She had an annual service completed the following month, and no problems were detected.

On 1 January 2024, Mrs B made a claim under her insurance policy as her boiler had stopped working and she had no heating or hot water. An engineer attended the following day and diagnosed a fault with the printed circuit board. As a replacement part couldn't be sourced that day, Mrs B was told the repairs would take place in the next couple of days.

Later that same day, Mrs B received a call from who she thought was Evolution, but later transpired to be a linked company. She was informed her boiler had been deemed beyond economical repair (BER). They offered her a discount of £250 off a replacement boiler if she used their services.

Mrs B tells us the caller was pushy and was reluctant to let her have some time to think things over. She says they couldn't explain how BER is calculated, and they directed her to the incorrect website. She declined the offer of a replacement, and she says she purchased a new boiler online later that evening as she felt she had no other option.

Mrs B raised a complaint to Evolution that same day. She said:

- She'd managed to find some information on Evolution's website about how BER is determined. As this information isn't set out in her policy documents, she wasn't able to make an informed decision when she renewed her policy for a 12-year-old boiler.
- She'd also found information on Evolutions' website to say she was entitled to a manufacturer's visit at a discounted rate which she hadn't been offered.
- Her policy says she's entitled to two portable heaters whilst she has no heating, which she also hadn't been offered.

She asked Evolution to refund the policy premiums for the year, as well as the excess she'd paid for this claim, and a contribution of £250 towards her new boiler.

Evolution attempted to call Mrs B the following day, on 3 January 2024, to offer a manufacturer's visit but there was no answer. It sent an email to her explaining the boiler had been deemed BER and why. It gave her the option to pay for the repairs; accept a replacement boiler from its approved suppliers with the discount offered; or instruct a local tradesman privately to do the work.

Mrs B responded to say she was unhappy these options weren't provided to her the previous day. Evolution emailed again with an offer of a manufacturer's visit at a discounted rate.

On 4 January 2024, Evolution offered Mrs B £15 as a gesture of goodwill to resolve her complaint. But Mrs B declined. She reiterated that the BER calculation wasn't clearly set out in the policy documents so she couldn't make an informed decision when she renewed her policy; that she'd been given no alternative options other than a replacement initially; and she wasn't happy with the way in which she'd been spoken to on the call, in particular that she was put under pressure to purchase a replacement and was referred to as "luv".

When Evolution emailed again, Mrs B insisted that it send her its final response letter so she could escalate her complaint to our service.

On 8 January 2024, Evolution issued its final response to Mrs B's complaint. It didn't think it had done anything wrong but reiterated its offer of £15 to resolve things. It said two portable heaters would be delivered to Mrs B that day.

Mrs B remained unhappy, so she brought her complaint to our service. Our Investigator was of the view that there were shortfalls in the way Evolution had handled Mrs B's claim, and recommended it pay £300 compensation for the impact this had, which Mrs B accepted.

But Evolution didn't agree. It said Mrs B had been informed of the cost to repair the boiler by the engineer when they visited the property initially. And she was given all her options approximately 16 hours after she'd declined the replacement boiler. It acknowledges that Mrs B didn't receive heaters as soon as she requested them, but says she wasn't without heating because she'd ordered a new boiler.

As our Investigator hasn't been able to resolve things, the complaint has been passed to me to decide.

### **What I've decided – and why**

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

The terms and conditions of Mrs B's policy says she is covered for:

*"Repairs or assistance following a boiler emergency or breakdown in your home unless your boiler is beyond economic repair."*

The policy provides a definition for "beyond economic repair" as follows:

*"Boilers have a working life of, usually, 7 to 20 years. Their value reduces over time. If, after an engineer visit and assessment, repair costs are estimated to be more than the current value of the boiler we will not be able to carry out a repair but will try to assist you with other options."*

Mrs B complains the policy terms aren't clear how BER is calculated. She refers to Evolution's website which gives a more detailed explanation as follows:

*"A boiler is deemed BER when in the opinion of the technical department it is uneconomic to repair. Following the attendance of an engineer a report is submitted setting out the requirements for a repair. At this stage an assessment is undertaken taking into account circumstances including the cost of the parts, labour charges (including VAT), value of the boiler taking into account depreciation at the rate of*

*10% per annum. If the cost of the repair is 60% or more than the current manufactures retail price (as obtained from the relevant data base) the boiler will be deemed uneconomic to repair and therefore BER. If your boiler is deemed BER you should have received a detailed e mail setting out the position with all the relevant costings.”*

Whilst I agree the website is more detailed than the policy documents, I don't think this alone makes the policy wording insufficient.

I'm satisfied the information provided within the policy terms would put Mrs B on notice that if the costs of repairing the boiler are more than its value, she won't be covered for repairs.

If this was something Mrs B had concerns about, she could've asked Evolution what her 12-year-old boiler was worth at the point of renewing her policy. But I'm not persuaded Evolution needed to provide its calculations in the policy terms in order for the policy to be clear, fair, and not misleading.

Turning to the claim itself, I agree with our Investigator that there's been some shortfalls in the way this was handled by Evolution. I'll set out my key reasons why.

Mrs B was first made aware that she wouldn't be covered for repairs under her policy by a third party. I appreciate Evolution say Mrs B was told by the engineer how much it would cost to repair her boiler, but that doesn't mean she knew it was deemed BER. The engineer's notes from this visit say *“Authorisation Required: Part Not Available pressed when completing the service report”*.

This supports what Mrs B has told us; that the engineer said parts would be required. And she says she was told he'd be coming back to repair. So based on the evidence I have, I'm not persuaded Mrs B had been informed her boiler was BER by Evolution and she received this information from a linked company who called to sell her a new boiler.

The notes from the calls with the linked company are brief, so I don't know exactly what was said. I don't disbelieve Mrs B when she tells us they were pushy and called her “luv” – which I agree is unacceptable. But as the linked company are a separate entity, I can't hold Evolution responsible for their actions. Evolution has also provided us with their privacy notice which explains it'll share customers details with companies from their group for sales and marketing purposes.

That said, I maintain that it would've been better customer service for Mrs B to have heard from Evolution in the first instance to explain the boiler was BER and what her options were. Had it done so, Mrs B would've been able to decide whether she wanted to explore a manufacturer's visit before purchasing a new boiler or pay for a private repair.

Evolution says Mrs B had these options approximately 16 hours after she declined the replacement boiler. But the point is she should've been given all options before Evolution tried to sell her a replacement. And for 16 hours, during which time she had no heating and hot water in winter weather, Mrs B was under the impression her only option was a replacement. It was in fact 24 hours later that Mrs B was given the option for a manufacturer's visit.

Evolution says, even if the claim had been handled in the way I believe it should've been, the outcome would be the same. It says Mrs B specifically said she didn't want to use the linked company for a replacement because she didn't like the make / model of the boiler they'd offered. And on a call the previous year, Mrs B had informed them that she had a close friend who installs boilers. So it says it's most likely Mrs B wouldn't have used the linked

company for a replacement regardless, so she wouldn't have been entitled to the £250 discount. It also says Mrs B could've cancelled her order for a new boiler after being made aware of other options.

Whilst that may be true, Mrs B didn't have the luxury of time given that she needed hot water and heating urgently. She made rushed decisions based on incomplete information because Evolution decided to prioritise trying to sell Mrs B a new boiler over giving her all the options available.

Furthermore, despite the policy offering portable heaters which Mrs B specifically requested on 2 January 2024, Evolution didn't provide these until 8 January 2024 – leaving Mrs B without heating for 6 days. It says Mrs B wasn't without heating because she'd ordered a new boiler. But just because Mrs B ordered a boiler online on 2 January, doesn't mean it had been delivered and installed by then.

Overall, taking into account everything that's happened here, I'm not persuaded Mrs B received the service she's entitled to expect under her insurance policy. And I've no doubt she would've suffered distress and inconvenience as a result, for which she should be compensated for. So I'm upholding the complaint and awarding compensation of £300.

Mrs B has requested a refund of the policy premiums and the claim excess. But as she's had the benefit of the policy, including an annual service and an engineer call out where a diagnosis was provided, I can't fairly say she's entitled to have her money back in these circumstances. She's also not entitled to the £250 discount as she didn't use Evolution's approved suppliers for her replacement, so I can't fairly award this either.

### **My final decision**

For the reasons I've explained, I uphold this complaint and direct Evolution Insurance Company Limited to pay Mrs B compensation of £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 18 June 2024.

Sheryl Sibley  
**Ombudsman**