

The complaint

Miss C complains Evolution Insurance Company Limited (Evolution) misdiagnosed issues with her boiler when she made a claim on her landlord boiler care insurance policy, causing unnecessary costs to herself. And that it unfairly cancelled her policy.

Evolution are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As Evolution have accepted it is accountable for the actions of the intermediary, in my decision, any reference to Evolution includes the actions of the intermediary.

What happened

Miss C paid for a plate heat exchanger to be replaced in the boiler at her rental property as this was not covered under the terms of her policy. Evolution's approved engineer attended and fitted the part but on testing the boiler he found it still to be overheating and therefore recommended the main heat exchanger was replaced.

Miss C complained that she had paid for the plate heat exchanger to be replaced but this didn't resolve the issue. She said Evolution should repair the boiler without further cost to herself.

Evolution said due to the cost of the repair required it deemed the boiler to be beyond economical repair (BER).

Because Miss C was not happy with Evolution, she brought the complaint to our service.

Our investigator did not uphold the complaint. They looked into the case considered it reasonable that the heat exchanger would've needed to be replaced as it was damaged due to sludge/debris and they couldn't fairly say Evolution had acted unreasonably here. They also said it was reasonable for Evolution to deem the boiler BER and they were satisfied it acted in line with its policy terms when it cancelled Miss C's agreement.

As Miss C is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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.

In July 2024 Evolution's approved engineer attended to look at an issue with the hot water and heating at Miss C's rental property. It was found that the plate heat exchanger was completely scaled up and a new one was required. Because the issue was due to blocked parts caused by sludge/debris in the boiler this was excluded from cover and Miss C had to pay for the part. I saw a power flush of the system was recommended and options for a new boiler were suggested.

Miss C has already made a separate complaint about this which has been dealt with by our service therefore, I am unable to comment on this in my decision.

Repairs and diagnosis of issue

In August 2024 Miss C opted to progress with relacing the blocked plate heat exchanger at her own cost for the part. Evolution's approved engineer attended on 15 August 2024 to fit it. The boiler was drained, and the plate heat exchanger was replaced. When the boiler was tested the issue still remained and the engineer said the main heat exchanger required replacing. Because the cost to complete this was more that the value of the boiler itself the engineer deemed the boiler to be BER. And therefore Evolution could not assist her further with the repairs under the terms of her policy. I saw Evolution gave her the options to pay for the repairs, accept its boiler replacement terms or contact a local tradesman.

Miss C believed the issue had been misdiagnosed and spoke to Evolution's technical team. This team gave her the option of a manufacturer's repair, which was outside of her policy terms, at a cost of £268. She refused this. As a gesture of good will Evolution then agreed to waive this fee and send the manufacturer to the property, free of charge, to check if the boiler was repairable at a cost that did not exceed the manufacturers BER limit. Miss C also refused this offer because there was still the possibility of the boiler being deemed BER.

I saw Evolution explained in detail that due to the boiler being 11 years old it had decreased in value, making it worth less than the policy BER limit of £250. And the suggested replacement of the main heat exchanger would be £832.99 which was more than the BER limit, so the policy did not cover the costs to replace of it.

It's important to note that our service can't determine the required repairs as we are not experts. What I have considered is the information and opinions Evolution relied on to make its decision.

In this case I saw Evolution's field service manager reviewed the engineer's initial diagnosis from July 2024. The notes from this visit said water was found to be running cold with bursts of hot water. The central heating was confirmed as still working at this time. This meant the main heat exchanger was working fine at this point. This supports that the initial engineer's diagnosis was correct, as because the pump was running substantiates that the central heating was being utilised. They said this shows the main heat exchanger did not require replacing at the first visit in July 2024 but when the engineer attended in August 2024 it was no longer working.

Evolution's field service manager said the engineer who had initially attended to look at the issue could have quoted originally for both plate heat exchanger and the main heat exchanger to be replaced, but the original diagnosis did not support both being required at this time.

Miss C maintains that both the hot water and heating were not working at the time it was diagnosed and that this meant the plate heat exchanger was not the problem and should not have been replaced.

Where there is a difference of opinion I would expect to see evidence from another professional that challenges Evolution's findings. In this case nothing has been provided. Whilst have considered what Miss C has said, it is usual to give the greatest weight to expert reports, and therefore I can't fairly say Evolution misdiagnosed the plate heat exchanger needed replacement in July 2024.

I recognise Miss C isn't happy that she has paid for a part that didn't fix the issue, but I have not seen any evidence that supports this part was not required when the engineer attended in July 2024. The repairs Miss C would like undertaking without any cost to herself are not covered by the policy terms and conditions. As such I'm satisfied the claim for repairs to the boiler was handled fairly and I don't require it to return the cost for the plate heat exchanger that didn't fix the issue.

Beyond economic repair

Where a boiler is repairable, but the insurer has determined the cost of the repair would be more than the value they've placed on the boiler it may be classed as beyond economical repair (BER).

I looked at the terms and conditions of the policy and it says;

"BER Limit

We will calculate your boiler's current value from its original price depreciated by 10% a year. We recognise that simple repairs could get your boiler working again by always valuing it at £250 or more".

The detailed evidence provided by Evolution to Miss C on the decreasing value of her boiler each year persuades me the boiler was fairly valued at £250 and therefore it was fair and within the terms of the policy, to deem it to be BER when it was found the main heat exchanger needed replacing.

Evolution gave Miss C the option, on more than one occasion, to send the manufacturer to the property free of charge to check if the boiler was repairable at a cost that did not exceed the BER limit. And I understand this offer remained open and that Miss C accepted it at the end of September 2024.

Cancellation of the policy

The terms and conditions of the policy says;

"Beyond economic repair

If your boiler is beyond economic repair, you may be entitled to our boiler replacement terms (see "Your Boiler What's Covered" for details). Your replacement boiler may come with its own warranty.

If your agreement included non-boiler features (for example, central heating, plumbing and drainage) we may be able to transfer these features to a product which maintains your level of cover, with an amendment to your premiums if appropriate.

If your agreement was for boiler breakdown and/or boiler service only then we'll cancel your agreement."

I saw that Miss C's policy covered for boiler breakdown and service only, therefore as the boiler was deemed beyond economic repair it was reasonable for Evolution to cancel it in line with its policy terms. I cannot fairly tell it to reinstate it.

Although I understand Miss C will be disappointed, I don't uphold her complaint and don't require Evolution to do anything further in this case.

My final decision

For the reasons I have given I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept

or reject my decision before 19 December 2024.

Sally-Ann Harding
Ombudsman