Ombudsman Decision
CIFO Reference Number: 24-000267
Complainant: Mr C
Respondent: OVO Insurance Services Limited, as underwriter for the home emergency insurance provided by Corgi HomePlan

The Complainant, who I shall refer to as Mr C, complains that OVO failed to identify a leak in his boiler that eventually resulted in the corrosion of parts and rendered the boiler beyond economical repair (BER). He says that this caused him to incur the cost of a new boiler sooner than would otherwise have been necessary.

Background

Mr C's complaint arises from his home emergency insurance policy with OVO. Although these policies are provided by OVO, they are sold and administered by Corgi HomePlan on behalf of OVO and are branded as Corgi policies. When I refer to OVO this includes its agent Corgi.

Mr C's boiler was 13 years old. When he had the annual service carried out in May 2024, the service engineer reported corrosion had eaten through the casing and rendered the boiler unsafe. A breakdown engineer attended and identified a number of parts that required replacement but was unwilling to do the repair. OVO referred the job to the manufacturer, Baxi, and then declared the boiler BER. Mr C said that he had raised issues with OVO over several years previously and, whilst a leak was found, the OVO engineers did not carry out adequate repairs. As a result, the leak

[1] Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

reoccurred and caused extensive corrosion that ultimately led to the BER declaration.

OVO said that it was satisfied with the standard of work carried out by its engineers and that Mr C had been advised on each breakdown attendance that access to the bottom of the boiler could not be gained due to the cupboard housing it. OVO added that as Baxi had listed ten parts as being required, the BER declaration was correct.

Mr C remained dissatisfied and complained to CIFO.

The Adjudicator said that the BER decision had not been supported by a disclosure of costs to demonstrate the required threshold had been reached. Furthermore, if the boiler was BER, she was of the view that the condition of the boiler had been allowed to develop due to the leak from the primary heat exchanger and resultant damage to the bottom casing which had not been thoroughly investigated in previous call-outs. She recommended that OVO contribute £500 towards the cost of a new boiler and pay a further £450 for the distress and inconvenience caused to Mr C over a prolonged period.

Mr C accepted the adjudicator's recommendation, but OVO said the recommended payment for distress and inconvenience was too high and counter-offered £250, which Mr C rejected. The complaint has therefore been referred to me for a Final Decision.

Findings

I have considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint. Where necessary or appropriate, I reach my conclusions on the balance of probabilities; that is, what I consider is most likely to have happened, in light of the evidence that is available and the wider surrounding circumstances.

Mr C told CIFO that he had raised issues with having to repressurise the boiler with service engineers and was told it was leakage from a water expansion pipe allowing excess water to escape. He said that

approximately two to three years prior to the BER declaration an OVO engineer had said the expansion vessel needed replacing, which is on the right side of the boiler and produced a photograph from the boiler manual to illustrate this. The boiler was housed in a kitchen cupboard and Mr C said that at that time the engineer removed the overhead pelmet and upper front facing panel of the cupboard to allow access to the boiler and that he would have dismantled the cupboard if that had been requested. Mr C said following a call-out in January 2024 the engineer didn't say anything about needing to remove the cupboard or sealing a small leak but he was aware that the engineer did a small amount of work on the expansion vessel and said if there were any further problems to log a call-out as he may need to remove the expansion vessel to do a pressure test.

Mr C also told CIFO that an OVO engineer had told him two to three years previously that the main leak was coming from the primary heat exchanger, which is situated on the left lower part of the boiler. Mr C provided the reference from the boiler manual. The OVO engineer reportedly said that this leak that caused the corrosion had been leaking for some time. Mr C said the engineer discussed removing the cupboard, but that would lead to delay. Instead, the engineer proposed fixing it with a leak sealant first. Mr C added that the engineer was anxious to conclude his visit and applied the sealant. Mr C said that he didn't know until recently that the leak sealant was only a temporary fix and that when the leak re-started the corrosion to the casing took place. However, he was unaware of this until he was told it had eaten through the casing. Mr C also said that the Baxi engineer who attended and ultimately said the boiler was BER did list some parts as being required, namely: combustion chamber, chassis housing, primary or main heat exchanger, sump, automatic air vent, adapter, flow & return pipe, installation pad, electrode, and expansion vessel. He added that, of these, the Baxi engineer said that only one of those parts did not relate to the original leak from the connection to the primary heat exchanger and that was the expansion vessel. Mr C said that the Baxi engineer told him that the work to replace that would require 2 men and approximately 3 hours each as the boiler would need to be removed from the wall.

CIFO requested information about the previous call-outs. OVO's records show that, prior to May 2024 there had been five heating call-outs. The job sheets say:

31 March 2015 "*Pressure loss. Repressurised expansion vessel".*
1 November 2019 *"Customer having to refill system daily. Supplied and fitted new expansion vessel".*
30 December 2019 *"Dropping pressure over a few days. Found leak from main heat exchanger union Tightens and stopped leaking. Checked underfloor manifold and in airing cupboard for leaks. None".*
7 September 2020 *"Leaking rad valves X 3. Disassembled and taped shafts on 2, replaced 1 with new trv".*
29 January 2023 "*Expansion Vessel discharged, small leak on flow valve. Drained and refilled expansion vessel, seems to be holding. Filled system and tested. Large kitchen unit needs removing to access bottom of boiler. Customer was happy for me to use leak sealer to stop drip. Cant guarantee this."*

Whilst Mr C's recollection of what the OVO engineers told him does not specifically match up with the job sheets in every respect, it is clear that there was a problem with pressure loss over some years and that a leak from the primary heat exchanger was found in 2019 as well as leaks from the expansion vessel in 2019 and 2023. Further it seems likely, on the balance of probabilities, that a leak must have been occurring for a considerable amount of time for the corrosion to have completely eaten through the casing. As such, I am of the view that sufficient investigation should have taken place by OVO's engineers to reveal what was taking place and to permanently repair or replace the primary heat exchanger and, if this required removal of the cupboard housing, to advise Mr C to do so. This conclusion is backed up by what Mr C said the Baxi engineer told him and, in the absence of any report from Baxi, I am minded to accept this evidence. There is nothing in OVO's notes to support their assertion that they told Mr C that he needed to remove the cupboard. The engineer's job sheet of January 2023 does refer to this, but I accept Mr C's account of the visit and that he was persuaded by the engineer that the sealant would be enough and was not advised that it was a temporary fix.

I therefore find that the lack of sufficient investigation and repair led to the eventual corrosion of the boiler rendering it unsafe.

Further I am not persuaded that the BER decision was correctly made as it is not supported by a list of parts or cost details. The only evidence of the parts has been from Mr C. If the boiler was BER, I am of the view that the condition of the boiler had been allowed to develop due to the leak from the primary heat exchanger and resultant damage to the bottom casing not having been thoroughly investigated in previous call-outs.

The boiler was 13 years old and probably nearing the end of its life. But boilers can continue to operate over 15-20 years and beyond. Mr C upgraded his boiler to a Worcester Bosch Greenstar 8,000 Life 30 (kilowatt). The quotes given by Corgi Homeheat for an equivalent boiler was £2,717 and £2,517.

The boiler has been replaced and the cost of repairing the boiler, if it was capable of repair, is unknown so it is not possible to put Mr C in the position he would have been in if the repairs had been completed. It is therefore fair and reasonable for a contribution to be made towards the cost of an equivalent new boiler. I agree with the adjudicator's recommendation that such contribution should be in the sum of £450.

As regards the compensation for the distress and inconvenience, Mr C was reporting loss of pressure over some years when he was having to constantly adjust it. As such, the inconvenience was of a recurring nature and over a prolonged period, and he was then ultimately faced with having to replace his boiler. As such I find that the appropriate award for distress and inconvenience is £500, making a total award of compensation in this matter of £950.

Final Decision

My final decision is I uphold the complaint.

Douglas Melville
Principal Ombudsman and Chief Executive

Date: 21 February 2025