Ombudsman Decision
CIFO Reference Number: 25-000237
Complainant: Mr Z
Respondent: OVO Insurance Services Limited

The complainant, Mr Z, complains about OVO Insurance Services Limited's handling of a claim for a boiler failure under a Boiler Cover Insurance policy.

Background

The background circumstances are known to the parties, and I don't intend to detail them all here. Instead, I will give a summary of the context for this decision.

Towards the end of February 2025 Mr Z's boiler developed a fault and while it was reported to OVO, Mr Z (or his wife) cancelled the need for assistance the next day.

Around 5 March it was reported that the radiators were not heating up and an engineer's visit was scheduled. However, the engineer failed to attend, which Mr Z reported to OVO. An engineer attended shortly after and recommended that a pump assembly was required but could not obtain parts. Further attendances were arranged to inspect the boiler and on occasions engineers failed to attend. Ultimately, there were engineering differences in what was precisely wrong with the boiler, for example one engineer diagnosed a failed Printed Circuit Board (PCB) as well as a pump. However, what was common between the engineers was the unavailability of parts needed to repair the boiler.

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

Consequently, OVO deemed the boiler beyond repair due to the unavailability of parts to repair it. It was apparent the boiler had become obsolete in 2012.

Mr Z's complaint, in summary, concerned the following main issues:

- OVO had not advised him earlier that his boiler type was obsolete. OVO had opportunity to do this at the annual services and should have a mechanism to do this.
- As OVO could not support the boiler then it's unfair OVO took premium payments.
- OVO's poor handling of the claim.

OVO accepted it had handled the claim poorly and paid Mr Z £150 compensation, which he hadn't accepted or consented to.

My initial findings

I gave a very brief overview of the policy, which covered breakdowns to the boiler and central heating system. In settling such a claim, the policy permits OVO to use Original Equipment Manufacture (OEM) parts, provided they have a similar functionality.

I said the fact that a boiler is no longer manufactured doesn't mean it can't be repaired as some parts are generic. So, even though Mr Z's boiler became obsolete in 2012 didn't mean it couldn't be repaired. And I didn't think it was reasonable to expect OVO to point out, in the ordinary course such as an annual service, that a boiler had become obsolete. This was because boilers could be repaired with parts still available after production ceased.

As such, I wasn't persuaded OVO should refund historical premiums and as Mr Z had instructed OVO to continue with the policy at renewal in March 2025, I didn't fault OVO for doing so.

I was clear that OVO's handling of the claim was poor and that £150 compensation in my view was insufficient. I explained that the impact of several failed engineer visits was frustration and inconvenience on Mr Z. He had several calls with OVO to try and get progress and certainty and the lack of continuity with an engineer impeded diagnosis and next steps. I considered a total of £400 (an extra £250) to be fair redress.

Subsequent submissions

OVO agreed to pay an additional £250. Mr Z disagreed making various points. Again, I won't go into detail of everything he's said rather focus on the crux of his disagreement:

- The UK FOS were on the verge of upholding his case before realizing CIFO was the correct Ombudsman scheme to adjudicate.
- He's paid premiums since renewal for a policy that OVO can't perform given the boiler is beyond repair.
- He had given information at the time of parts that were available, but OVO didn't do anything to obtain them.

I reflected on the replies and recommended that OVO refund the premiums since renewal on the basis that it carried no liability as OVO could not support the boiler, and indeed Mr Z had replaced the boiler. OVO pointed out that Mr Z had paid £215.05 since renewal but did not think it fair to refund this, although it would waive a cancellation fee.

Mr Z maintained that OVO should have notified him that his boiler had become obsolete.

Findings

I have considered the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint.

As I've said to the parties throughout, I will not comment on every comment made or question raised. This is not intended to be discourteous but a feature of being an alternative dispute resolution service. My role as an Ombudsman is to handle a complaint in such manner as I consider most appropriate for the clarification of the issues and generally for the just handling of the complaint and seek to avoid formality in handling the complaint. I have therefore focussed on the main issues underlying Mr Z's complaint against OVO.

I remain satisfied that the customer service in handling the repair was poor. Engineers not turning up for scheduled visits clearly caused unnecessary frustration and inconvenience for Mr Z. OVO takes no issue with that and indeed paid £150 compensation. I am satisfied that amount doesn't adequately or fairly reflect the impact on Mr Z and so determine a total of £400 is fair and reasonable. It reflects the multiple failures to turn up and the impact on Mr Z who had to rearrange access and conduct several calls with OVO to get updates.

A fundamental issue in Mr Z's complaint is that different engineers made differing diagnoses, which in turn meant a final decision about what parts had failed was unclear. A proposed way to deal with this was to conduct a strip down of the boiler but the risk as outlined to Mr Z was that it could result in a worse outcome as he could lose hot water functionality. I am satisfied OVO asked its engineers to try and source parts, but the answers were all the same – parts from their suppliers were not available. OVO explained to Mr Z that although he had provided details of parts seemingly available online, OVO's process was to use its engineers or the manufacturer for parts as they were 'trusted'. I can appreciate OVO's stance on this as it is the responsible party to carry out the repair and so using trusted suppliers was a reasonable approach.

OVO summarised the position in its final response letter to Mr Z in so far as the company that had taken over responsibility for the type of boiler Mr Z had, advised they were unable to obtain replacement parts.

I'll now turn to the premiums paid since renewal in March 2025. While I acknowledge that Mr Z specifically asked OVO to continue with the renewal notwithstanding that OVO couldn't support boiler repairs, the reality is that if anything went wrong OVO could do nothing to help as it had declared the boiler beyond repair. As such, through a fairness lens it isn't appropriate in my view for OVO to retain the premiums. Mr Z has cancelled the policy now and so I determine that OVO must refund the premiums paid of £215.05. OVO must also waive any cancellation fee that might be payable under the policy terms.

Mr Z has shared information he received from the UK Financial Ombudsman Service. That is a different Ombudsman Scheme to the Channel Islands Financial Ombudsman operating under different rules. While Mr Z says they were on the verge of upholding his complaint, the information he shared with us does not support that. In any case, they couldn't review Mr Z's complaint against OVO as they do not have jurisdiction to do so.

Final Decision

For the reasons I have explained, my Final Decision is that I uphold this complaint and require OVO Insurance Services Limited to do the following:

1. Pay Mr Z an additional £250 compensation for distress and inconvenience (making a total of £400 given £150 has been paid already).
2. Refund Mr Z's premiums from renewal, which totals £215.05

Sean Hamilton
Ombudsman

Date: 7 November 2025