



## Case study: Insurance

### HOME EMERGENCY INSURANCE CLAIM REJECTED AS THE ISSUE WAS NOT COVERED

Themes: Home emergency policy; second professional opinion; sludge not covered; policy terms and conditions.

This complaint relates to a home emergency insurance claim and a dispute about whether the faults with the central heating system and boiler were covered under the policy terms.

In October 2021, Mr L contacted his home emergency insurer as he was experiencing a problem with his central heating system and boiler, which were covered under his home emergency insurance policy. His insurer sent an engineer to Mr L's home and replaced a boiler part, which appeared to resolve the reported issue. A few days later Mr L again contacted his insurer as his radiators were not heating up. The insurer arranged for an engineer to visit and diagnosed an unrelated fault regarding 'sludge', which is debris in the water pipes of the central heating system. The insurer told him that his central heating system needed 'flushing' and explained that sludge or damage caused by sludge were not covered under his policy.

Mr L complained as he believed he had been given different opinions from the two engineers and that the sludge issue had appeared only after the first engineer's visit. Mr L's insurer sent a third engineer to provide another opinion on the sludge issue. The third engineer also concluded that Mr L's heating system contained sludge and needed a power flush. Mr L engaged a private engineer at his own expense to flush the system, but this did not resolve the problem. Mr L again contacted his insurer, with evidence that he had had the power flush carried out privately. In addition, he reported another problem with water overflowing from the water tank. Mr L's insurer again sent an engineer who reported that the boiler's pump had been damaged by sludge, which had then caused further faults with the central heating system and water tank. The insurer told Mr L that, as the damage was caused by sludge this was not covered under his policy. Mr L again engaged a private engineer at his own expense to make the repairs. Mr L then made a complaint to his insurer. The insurer rejected the claim as they believed they had dealt with each unrelated issue appropriately. Mr L referred his complaint to CIFO.

CIFO investigated and noted that Mr L's insurer had covered the cost to repair the initial fault. CIFO reviewed the engineers' evidence which supported a conclusion that the issue was related to sludge. The policy had clearly set out that sludge or damage caused by sludge were not covered under the policy terms. As such, CIFO did not consider the insurer should reasonably be expected to pay or contribute towards Mr L's private costs for the power flush and the sludge damage to his boiler. CIFO said that Mr L's insurer had responded promptly and obtained a second opinion regarding Mr L's stated concerns. CIFO considered that the insurer had also explained the limitations of the insurance policy to Mr L. CIFO did not uphold the complaint.