

The complaint

Mr B has complained that 247 Home Assist Limited (247 Home Assist) mis-sold him a home emergency policy.

What happened

Mr B took out a policy with 247 Home Assist. He later made a claim under the policy. The claim was declined because Mr B's boiler was declared beyond economic repair. So, Mr B complained that he had been mis-sold the policy.

When 247 Home Assist replied, it didn't uphold the complaint. It said that when Mr B had taken out the policy, he had been advised to read the terms and conditions to ensure it was suitable for his needs. It also said there was other cover under the policy, including for the central heating. It offered £15 as a gesture of goodwill.

So, Mr B complained to this service. Our investigator didn't uphold the complaint. He said the information about boiler depreciation was listed in the policy documents. He said it wasn't possible for 247 Home Assist's sales agent to know the cost of the repair that was later required or that the boiler would be deemed beyond economic repair.

As Mr B didn't agree, the complaint was referred to me.

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.

Having done so, I don't uphold this complaint. I will explain why.

I should note that I'm only looking at whether the policy was mis-sold as part of this decision. I'm not considering the claim decline itself, which would need to be raised as a separate complaint with the underwriter (insurer).

It's my understanding that Mr B first looked at the policy online. 247 Home Assist then phoned Mr B to see if he wanted to take out the policy. I've listened to the phone call. The agent asked Mr B the make and model of the boiler and its age. Mr B confirmed this and the policy was set up. The agent said Mr B should read the terms and conditions of the policy and that he could cancel within 14 days. The policy provided cover for his boiler and central heating system. It also included an annual service, although that wasn't an insurance product. I note that the insurance part of the policy cost £80.28 and the boiler service cost £96, although it was charged as a combined premium.

Mr B later made a claim and was told it couldn't be dealt with as the cost of the claim was more than the value of the boiler. Following this, Mr B said the policy had been mis-sold. So, I've thought about this.

Looking at the policy terms and conditions, these said there was a £75 excess per claim. It also explained the 14-day cooling off period if Mr B decided the product wasn't right for him. I'm aware Mr B has said he didn't read the policy documents in detail that were sent to him.

The terms and conditions explained what was meant by beyond economic repair:

"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."

So, I think the policy terms explained that the age and value of the boiler would be considered for a boiler claim and that the repair costs might be more than the value of the boiler. Although Mr B's boiler claim was declined, I don't think this meant the policy was mis-sold. Despite Mr B's claim not being dealt with, it didn't mean that no claim for the boiler would be dealt with.

The policy also provided cover for more than just the boiler. It also covered the central heating. The beyond economic repair term only applied to the boiler, not the central heating. This meant Mr B could have benefitted from a repair to his central heating if he had needed to make a claim for it. The policy provided cover up to £1,000 per claim. Although Mr B didn't make a claim under this part of the policy, he was able to do so if he had needed to.

So, I don't think I can fairly say the policy was mis-sold. Mr B was able to benefit from the policy, even though his boiler claim was declined. As a result, I don't uphold this complaint or require 247 Home Assist to do anything further.

My final decision

For the reasons I have given, it is my final decision that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 February 2024.

Louise O'Sullivan
Ombudsman