

The complaint

Mr S has complained that Domestic & General Insurance Plc (D&G) unfairly refused him boiler cover.

What happened

Mr S has a boiler which comes with a ten-year manufacturer's guarantee which covers him if his boiler breaks down. That guarantee doesn't cover the rest of his central heating system.

He contacted D&G to see whether he could take out cover for his boiler and central heating system. D&G said it wouldn't offer him such a policy as he had a ten-year guarantee on his boiler and effectively he'd have dual cover. Mr S complained that this wasn't made clear on D&G's website. He also thought it was unfair that D&G would offer cover if he'd only had a five-year guarantee on the boiler.

Mr S referred his complaint to this service. Our Investigator didn't recommend it be upheld. She was satisfied D&G didn't offer cover on boilers which have a ten-year guarantee. She thought D&G was entitled to decide what sort of policy it offered.

D&G has told us that it would offer a policy that just covered Mr S's central heating system without the boiler.

Mr S has asked for an Ombudsman's decision.

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.

Mr S finds it hard to understand why D&G is prepared to offer boiler and central heating system if he had a five-year manufacturer's guarantee as opposed to a ten-year one. But I don't think D&G treated him unfairly.

Boiler cover is a form of insurance and insurance is largely a matter of assessing risk. When offering cover, insurers will think about what risks they're prepared to cover and the factors that affect that risk. It's not uncommon for insurers to decline to offer certain types of policy. That could be for numerous reasons, including the likelihood of a claim at a later stage for mis-selling a policy because it knew the customer was already covered elsewhere. I appreciate that this could also apply if the customer has a five-year guarantee for their boiler but it is up to D&G if it assesses this as less of a risk and so commercially acceptable to it.

We are not the industry regulator and so it's not my role to tell an insurer what risks it should cover and how it should go about assessing those risks. That's something insurers are entitled to decide for themselves. So long as it applies its risk assessment consistently and isn't fundamentally unfair, we won't interfere with it. That's the case even when, as in this complaint, consumers believe that risk assessment is flawed. This doesn't lead me to think D&G has done anything wrong here. So while I appreciate it must have been frustrating for

Mr S, I'm satisfied that it treated him fairly and didn't single him out in any way.

D&G doesn't say on its website that it doesn't cover boilers with a ten-year guarantee. Instead it invites potential customers who have a boiler guarantee to call it for more information. I don't see anything wrong in that. Insurers aren't obliged to set out on their website all the risks they're not prepared to cover.

My final decision

For the reasons explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 February 2024.

Elizabeth Grant
Ombudsman