

## The complaint

Mrs P complains about Aviva Insurance Limited's handling of a claim under her Home Emergency Cover policy.

## What happened

Mrs P had a Home Emergency Cover policy with Aviva which provided breakdown cover for her gas central heating. She bought the policy in November 2007 and renewed it annually through to November 2018.

On 25 April 2018, Mrs P told Aviva her boiler had broken down. They sent out an engineer that day. He reported that the boiler was beyond economical repair (BER).

Aviva told Mrs P they would replace the boiler, but she'd have to pay for installation. On 27 April, they provided a quote for installation at just over £1,350.

Mrs P wasn't happy with the quote and had a new boiler installed by someone else at a total cost of £950.

She complained to Aviva. She said their quote was expensive and unaffordable. She also referred back to a conversation she'd had with Aviva in 2018, when she says she asked them what the costs of installation might be. She says the answer was vague and effectively didn't allow her to make an informed choice about whether to renew her policy or go elsewhere.

Mrs P said it hadn't been made clear to her that she'd have to pay for installation if her boiler broke down. She said she'd been without hot water for almost two weeks, which had been difficult with a young family.

Mrs P was also unhappy with the information she'd received from Aviva when she rang them about her claim and about her policy. And she said the engineer Aviva sent had damaged a worktop and a cupboard unit when he'd inspected the boiler.

Aviva didn't uphold Mrs P's complaint. They said the terms and conditions of the policy were clear and they'd acted in line with them. They said they would contribute to the costs incurred by Mrs P by providing a cash settlement of around £350 - the price to them of the replacement boiler they would have installed had Mrs P accepted their quote.

They said the damage to the worktop and cupboard hadn't been caused by their engineer.

They admitted there had been some confusion about whether and how her policy would be cancelled in a call Mrs P had made to them after her boiler breakdown. But they pointed out this essentially had no material effect on Mrs P.

Mrs P wasn't happy with this outcome and complained to us. Our investigator looked into it and thought Aviva could have been clearer about when and how Mrs P's policy would be

cancelled. She thought £75 would be reasonable compensation for Mrs P's trouble and upset. But other than that, she thought Aviva had done nothing wrong.

Mrs P disagreed and asked for a final decision from an ombudsman. She wants Aviva to pay the full cost of replacing her boiler (£950). She also wants them to compensate her for the damage to her worktop and cupboard and for misleading her about her claim and her policy when she rang them.

### **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.

The terms and conditions of Mrs P's policy are clearly set out in the policy documents which were provided to Mrs P when she bought the policy and at renewal.

They say - in the summary at the head of the policy document and in more detail in the relevant section - that if a boiler is deemed BER and is more than seven years old (which Mrs P's boiler is), Aviva will pay for a like-for-like replacement but the customer has to pay for installation.

There's nothing unusual or inherently unfair in these terms. And, as I say they are made very clear in the policy documents, which Mrs P would have been advised to read - and should have read - when she bought the policy and at each renewal.

So, I can't agree with Mrs P that she wasn't told she'd have to carry the cost of installation in these circumstances. It would also be odd for Mrs P to call Aviva in 2018 to enquire about the likely cost of installation, as she insists she did, if she hadn't known those costs would be for her to carry in the event her boiler broke down.

In terms of that call in 2018, it's not surprising that Aviva weren't willing to give an exact quote for installation costs. That would depend on the individual circumstances at the time of any replacement.

In any case, whilst Mrs P says this meant she couldn't make a judgement about whether to renew or seek cover from elsewhere, I think it's unlikely other insurers would have given her precise costs of installation for a new boiler. So I can't reasonably say Aviva have prevented Mrs P being able to make a very exact comparison of the costs associated with different policies.

Turning to Aviva's quote for installation, this doesn't seem to me to be unreasonable once all the facts are taken into account. That quote values the replacement at around £350 (the cost to them of the boiler) plus around £1,350 (the quoted cost of the installation). So, a total of £1,700.

Mrs P had the work carried out for considerably less, but she's had installed a smaller and much cheaper model of boiler. Although we don't know what price she would have got from her supplier if she *had* replaced the boiler like-for-like - as Aviva would have done - we can say it would have been considerably more than £950.

So, I don't think Aviva's quote was unjustifiably or unreasonably high. If customers can get the work done cheaper - and are happy to do so - Aviva will offer a cash settlement at the cost to them of the replacement boiler. This is exactly what we'd expect - and what we'd regard as reasonable - in circumstances where the customer has opted to use their own supplier.

We'd take a slightly different view if Aviva had refused to do the work and effectively forced Mrs P to accept a cash settlement. In those circumstances, we'd expect the insurer to meet the reasonable costs incurred by the customer (rather than the often cheaper cost to them). But that's not the case here - it's Mrs P who chose to use her own supplier.

Mrs P has asked why Aviva couldn't have given her a quote for installation of a cheaper boiler. But again, that's not what her policy offers. It's clear in the terms and conditions that Aviva will replace a boiler on a like-for-like basis, or as close to that as is practically possible if a particular boiler is no longer available.

In summary, I'm satisfied Aviva have acted reasonably and fairly towards Mrs P - and in line with the policy terms and conditions - in the way they've offered to settle her claim.

I'll deal now with Mrs P's suggestion that Aviva caused her to be without hot water for 12 days or so. I can see from the information we have on file that Aviva's quote for installation was issued two days after their engineer's first visit. The quote document sent to Mrs P suggested the boiler could be replaced within 24 hours and gave her a number to call if she wanted to accept the quote.

Aviva weren't responsible for Mrs P's boiler breaking down. And getting things back in working order is always going to take some time. It appears Aviva could have had this done within three days, which I don't think is unreasonable given that the boiler had to be replaced rather than repaired.

Once Mrs P had decided to go with her own supplier - which she was perfectly entitled to do - any delays are a matter for Mrs P and that supplier. Aviva had no part to play in that, so I'm not going to hold them responsible for the 12 days Mrs P and her family were without hot water. I know this will have been a difficult time for Mrs P and she certainly has my sympathy, but it wouldn't be fair or reasonable to hold Aviva responsible for the delays.

In terms of the damage to Mrs P's worktop and cupboard, I'm not going to hold Aviva responsible for that either. We have photographs from both Aviva and Mrs P which show the worktop and cupboard to be in a poor state of repair.

When the engineer visited Mrs P's home on 25 April 2019, he didn't carry out any substantive work. He removed the cover and inspected the boiler. It's difficult to see how or why he might have caused the damage Mrs P suggests.

We can't be certain about this, of course, but it appears to me much more likely that the issues with the worktop and cupboard are due to age and wear and tear. Mrs P originally told us these hadn't been replaced or substantively repaired during her 10 years plus at the property. She's recently told us she now recalls work being carried out on the kitchen around four years ago.

Even if that were the case, I'm still satisfied the engineer would have had no reason to interfere with or damage the worktop or cupboard when he inspected the boiler. I also have to take into account the fact that Mrs P's relative - who was at the house whilst Mrs P was at work - signed a worksheet to say the inspection had been carried out satisfactorily.

Mrs P says her relative didn't notice the damage until later. However, she did sign the worksheet and that was the opportunity to note any damage that might have occurred. It does show she agreed at the time that there was no issue - and, as I say, I have to take that into account. On balance, I'm satisfied it's very unlikely the engineer caused the alleged damage.

In terms of what Mrs P was told about her claim and her policy when she rang Aviva - several times - after her boiler broke down - I do think Aviva could have been clearer at times.

Mrs P could legitimately have formed the impression that whether her policy was cancelled or not (and/or when) was her choice - and that the policy might still have some value for her after the boiler had been replaced.

So I can understand that Mrs P may have been surprised and upset when Aviva cancelled the policy on 29 April 2019.

I don't think it was an error to cancel the policy. Mrs P's new boiler was under warranty. And her Aviva policy covered only her central heating. So her existing policy was always going to be a duplication of cover she now had from elsewhere - and effectively pointless.

And the terms and conditions are again clear that Aviva would move a customer onto an equivalent policy, but without boiler cover, only in circumstances where their existing policy covered other things - plumbing or wiring for example. This didn't apply in Mrs P's case.

So, in fact it would have been very unfair for Aviva to keep the policy in place for any longer than was necessary - or to offer to replace it with another (equivalent) policy. Mrs P would have been paying for something which no longer served any purpose.

Even so, Aviva could have made that position clearer to Mrs P. This caused Mrs P some understandable confusion - and I can see why she'd have been upset. That's why our investigator thought Aviva should give Mrs P £75 compensation.

However, any confusion about what would happen with the policy hasn't had any lasting or significant detrimental effect on Mrs P. It's not caused her, for example, to miss out on a renewed or replaced policy with benefits for existing customers. It was never going to be of any use to Mrs P to switch to an equivalent policy, for the reasons I've set out above.

### **Putting things right**

That being the case, I'm satisfied our investigator was right to suggest that £75 compensation for Mrs P's trouble and upset would be fair and reasonable.

Since Mrs P told them she was going to use her own supplier, Aviva have been very clear they'd contribute to her costs by giving her the cost to them of the replacement boiler. Just to be absolutely clear, this decision isn't intended to interfere with that. I'd expect Aviva will now provide that payment to Mrs P just as soon as she confirms she wishes to accept it.

### **My final decision**

For the reasons set out above, I uphold Mrs P's complaint.

Aviva Insurance Limited should pay her £75 to compensate her for her trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 5 February 2020.

Neil Marshall  
**Ombudsman**