

The complaint

Mr H complains that Aviva Insurance Limited (Aviva) incorrectly deemed his boiler beyond economical repair and provided poor service, under his home emergency policy.

What happened

In December 2019, Mr H's boiler broke down. Aviva was contacted who sent an engineer. The engineer deemed the boiler beyond economic repair (BER) and arranged for temporary heaters. Mr H was told that Aviva would pay for the cost of the replacement boiler but not the installation as per the terms and conditions of the policy.

Mr H was out of the country at the time and asked Aviva to communicate via email, providing his email address, but he received no email correspondence. Mr H told Aviva that he had vulnerable family members at home and so there was an urgency to get the boiler up and running.

A video survey was arranged but Aviva failed to attend, which inconvenienced Mr H's family member who had to wait in for the call. So a face to face survey was conducted in which the surveyor provided the cost of installation and told Mr H that it was possible that the pipework would need changing. Mr H was unhappy about this as he had changed the pipework recently and felt that Aviva should use the same pipework. Also, he was still unhappy the video survey hadn't taken place, so he raised a complaint to Aviva.

A further survey was conducted in January 2020 and the engineer said that the cost of the replacement boiler would be cheaper than the existing boiler but would mean that there might be damage to the brickwork/plaster, which Mr H would be responsible for. Mr H wasn't happy about this especially as he felt that his boiler wasn't BER. He had received a quote of £1,620 to replace the boiler with the same model from another company. And Aviva hadn't sent him the breakdown of how it deemed his boiler BER. So he raised a further complaint.

Aviva accepted that its customer service fell below its usual standard and offered £300 compensation for the distress and inconvenience caused. It also said that it would consider the invoice once received but would only pay the cost it would've incurred to supply the boiler, which was £460.

Mr H wasn't happy about Aviva's response and referred his complaint to the service. He said that Aviva had miscalculated the BER and the boiler replacement had to be like for like. So it didn't follow the policy terms and conditions.

One of our investigators considered the complaint but didn't think it should be upheld. She said that Aviva had dealt with Mr H's complaint fairly. It had would have cost Aviva £460 to replace the boiler, which is what it offered. Aviva acknowledged the poor service and offered £300 compensation which was reasonable. So there was nothing further she could ask it to do.

Mr H didn't agree with our investigator's view as he said Aviva had failed to cost-effectively source parts which affected how it declared the boiler BER. So he asked for a decision from an ombudsman.

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 won't be upholding this complaint. I realise this will be a disappointment to Mr H, but I hope my findings go some way in explaining why I've reached this decision.

Mr H's policy covered unlimited repairs to the boiler, with no cost limit for the boiler provided it wasn't deemed BER.

Mr H said that the boiler Aviva had chosen to replace his boiler wasn't like for like and it had miscalculated the BER of his boiler. The policy provides for a replacement boiler which Aviva source and which has the same or similar specifications. It also states that the boiler doesn't have to be a like for like replacement. So, Aviva wasn't required to provide the same model as Mr H's boiler- only a model that had the same or similar features, which is what it offered here.

Mr H requested from Aviva a breakdown of the costs that it used to calculate the BER. Aviva didn't provide this but did provide a list of the cost of the parts, which when calculated, exceeded the 85% limit, making Mr H's boiler BER. Aviva relied upon the following term of the policy, which said:

'Beyond Economical Repair (BER) (applies to the boiler only): Upon making a claim, the total cost of parts including VAT required to repair the boiler will be determined by us using reputable suppliers. If this cost exceeds 85% of the manufacturer's current retail price or if this is not available, the average current retail price available through Leading UK suppliers for a boiler of the same or similar make and model to your boiler or the then current version of your boiler, it will be deemed to be BER.'

Although I can understand Mr H's frustration, I can't say that Aviva were unreasonable relying on this term. And I can't say that it departed from the term as it sourced a similar model to replace Mr H's boiler and agreed to pay Mr H what it would've cost Aviva to supply the boiler.

Mr H similarly said that Aviva didn't approach a number of suppliers in order to obtain a competitive price for the boiler. Having read the term, I don't think it stipulates that Aviva has to obtain more than one supplier for a claim. Aviva has said that it used a supplier that is available to both trade and retail customers to purchase boilers and spare parts were necessary. I am satisfied that it did so here and that it relied upon the term in doing so.

Mr H also complained about the level of service which he said was poor. He said this related to misinformation he was given, the failed appointment and the chasing for responses to his complaint amongst other things. Aviva recognised that the service it provided was lacking and offered £300 compensation for the distress and inconvenience it caused. Having reviewed this carefully, I am of the view that this is a reasonable level of compensation that adequately reflected the inconvenience and distress caused and I won't be asking Aviva to increase its offer.

Overall, I am satisfied that Aviva applied the terms and conditions of the policy fairly and as such I can't reasonably ask it to do anymore.

My final decision

For the reasons I have explained, my final decision is that I don't uphold this complaint. I direct Aviva Insurance Limited:

To pay £300 for the distress and inconvenience caused and £460 towards the cost of the replacement boiler, as I think this offer is fair in all the circumstances, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before.....

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 December 2020.

Ayisha Savage
Ombudsman