

The complaint

Mr A's complains that Aviva Insurance Limited (Aviva) rejected his claim under his home emergency cover and deemed his boiler beyond economical repair.

References to Aviva include its agents and contractors.

What happened

On 1 February 2020, Mr A made a claim after his boiler broke down. Aviva sent an engineer who diagnosed that the boiler was beyond economic repair (BER) as the part it required was obsolete. Mr A wasn't happy about this as he felt that the engineer had incorrectly included certain parts. So, Aviva decided to get a second opinion from the boiler manufacturer (Contractor I). Contractor I found that there were several parts that needed replacing and agreed that the boiler was BER.

Mr A's boiler had been discontinued and so Aviva on Contractor I's recommendation, found the closest alternative boiler. As the boiler couldn't be replaced Aviva offered Mr A £200 towards a new boiler. It also offered a total of £350 compensation for the distress and inconvenience caused for the poor customer service it provided.

Mr A was unhappy about this as he believed that Aviva had used an inferior quality boiler to compare with his current boiler in order to assess its value and said that they were not similar. He felt that Aviva had failed to properly search for replacement parts for his boiler – even though he easily found them.

He also felt that in 2019, when he reported that the expansion vessels in his boiler had been leaking, Aviva should've replaced the faulty parts rather than repair it. As this meant that those parts were also included in the calculations that found the boiler to be BER. So he referred the complaint to this service.

Our investigator didn't uphold his complaint. His view was that there was insufficient evidence to support a conclusion that Aviva had acted unfairly in finding that Mr A's boiler was BER and declining his claim under his policy.

Mr A didn't accept our investigator's view. He said that Aviva had used an inferior boiler to compare with his boiler and it wasn't the same or similar as per the policy wording. He felt that no recommendations had been made regarding compensation. And that the repair to the boiler in 2019 shouldn't have been included in the claim of 2020 as parts had not been changed. So, Mr A asked for his complaint to be referred to 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.

I should first explain that this service has to make its decisions based upon the evidence presented to it. Where there is expert evidence provided, that will be persuasive. Where

evidence is lacking, or is conflicting, then findings have to be made based on what is more likely than not to have happened. The objective is to reach a decision that is fair and reasonable.

I consider that there are two specific aspects to this complaint. Firstly, whether Aviva has fairly applied the terms and conditions of the policy in declining Mr A's claim. Secondly, the choice of boiler that it used to determine whether Mr A's boiler was BER.

Aviva offered to make a contribution towards the cost of a new boiler of £200, as it deemed Mr A's boiler BER. I have looked at the policy document and I can see that the terms and conditions provide that where a boiler is deemed to be BER, Aviva will pay £200 towards the cost of a new boiler, if it wasn't able to repair the boiler.

Aviva have said that it couldn't repair the boiler as it is obsolete, so I am satisfied that it has fairly applied the terms and conditions of the policy by its offer. I understand that Aviva did send a cheque to Mr A, but the cheque has since expired and it would be for Aviva to re-issue that cheque if Mr A wishes.

I have read correspondence between Mr A and Aviva. I can see that Mr A repeatedly asked Aviva for responses to questions he raised. On occasion, this generated no responses, caused delay or incorrect information was given. So I can see how this would've been frustrating for Mr A.

I have next considered the choice of boiler that Aviva used to compare Mr A's boiler. Mr A felt that the boiler Aviva used, was an inferior model and Aviva was unreasonable to use it.

Both parties accept that the boiler had been discontinued. But Mr A said that the boiler itself and parts could still be obtained from UK stockists. Aviva consulted Contractor I, to see what it would recommend as a suitable alternative boiler. I can see that Aviva followed the recommendation from them as to the most suitable alternative boiler and used this in its calculations to determine the value of Mr A's boiler and whether Mr A's boiler was BER.

I haven't seen any expert evidence from Mr A to disprove the expert evidence Aviva has provided, and so I am persuaded that this was the nearest alternative boiler that Aviva could use. In addition, in the policy document terms and conditions it says:

'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 beyond economical repair.'

So, as there was no current retail price available for the boiler, Aviva used the average price for the alternative boiler, which corresponds with the terms and conditions of the policy. So I can't say that Aviva has been unreasonable as it has applied the policy term and I think it acted in accordance with what the policy required, by having consulted directly with the boiler manufacturer.

Mr A has also raised a complaint regarding the expansion vessels as he believed that Aviva shouldn't have included their cost in the BER calculations as he felt that they ought to have been replaced in 2019, when they were faulty. From the evidence, I can see that the fault regarding those parts was repaired and seemingly worked for a period of time without issue. So I can't say Aviva were unfair by not replacing those parts earlier.

In light of this, Aviva offered £350 in total compensation, for the trouble and upset it caused. In assessing the compensation offered, I've considered the delay, the level of customer service Aviva provided to Mr A and the effect of the loss of facilities had on Mr A and his young family. Taking all of this into account, I am satisfied that the £350 offered in compensation is fair in the circumstances. If this hasn't already been paid to Mr A, I recommend that he contact Aviva to accept this payment and I won't be asking Aviva to do anything more to resolve this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Aviva Insurance Limited has already made an offer to pay £350 for the trouble and upset it caused and I think this offer is fair in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 October 2020.

Ayisha Savage
Ombudsman