

The complaint

Mr W and Mrs W complain that Aviva Insurance Limited (Aviva) didn't provide the free replacement boiler cover included in their home emergency policy.

What happened

Mr W and Mrs W had home emergency cover with Aviva. The policy was in joint names but, for ease, I'll refer only to Mr W throughout my decision.

Aviva attended to Mr W's boiler breakdown and reported that it was beyond economical repair (BER). His policy included a free boiler if his was over seven years old and deemed BER. Aviva gave him a quote for the boiler installation, but Mr W thought it was too much at over £2100 if the boiler was free.

Mr W got quotes from other suppliers which all came to around £2000, but they included the cost of the boiler too. He complained to Aviva that its quote also seemed to include the cost of the boiler.

Aviva explained that the boiler was free and that it had provided a fair installation quote. However, it offered to cover the cost of two parts of the installation, reducing the overall cost to just over £1500. Aviva offered an alternative option, which was to pay Mr W a little under £400 towards the cost of the boiler and installation if he chose to use one of his local suppliers. This is what it would've cost Aviva to provide him with a free boiler.

Mr W remained unhappy because he thought Aviva hadn't been transparent in its claim to provide a free boiler when its cost was significantly less than the cost to a consumer.

Our investigator didn't uphold the complaint. He thought that Aviva had made a fair offer to reduce its installation price or provide Mr W with a payment equivalent to what it would've cost it to provide the free boiler.

Mr W reluctantly accepted that Aviva had followed its policy term, but he wanted a further review about the fairness and transparency of it.

The complaint was passed to me to decide.

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've decided not to uphold Mr W's complaint for broadly the same reasons as our investigator. I'll explain.

As I understand it, the issue here is that Mr W doesn't think Aviva was really providing a free boiler as stated in his policy. That's because it would've cost Aviva around £400 to provide

but, if he bought one privately, it would've cost twice as much. So he wasn't benefitting from the true value of a boiler retailing at £800.

In the summary of what's included under the policy, Aviva states:

"If your boiler is BER, we'll replace it. You'll just need to pay us for installation if it's over 7 years old."

The terms of the policy state:

"If the boiler is deemed beyond economical repair and is 7 years or older, we will source, replace and install a new boiler but you will be required to pay the installation costs. We will provide for you, a quote for this work."

I think both parts of the policy are clear – Aviva will provide the boiler and Mr W would need to pay it for the installation. I don't think Mr W disputes that. So I can understand why he was unhappy with the installation cost Aviva quoted when other suppliers would charge less, even with the cost of the boiler included. It's possible Mr W may think Aviva is covering the cost of the boiler by inflating the installation quote, but there's no evidence to support that. And nowhere in the policy does it say that Aviva will offer the cheapest installation quote. So I can't see that it's done anything wrong here. Aviva provided another quote, removing the cost of the power flush and filter installation as a gesture of goodwill. I think that was reasonable.

Mr W didn't accept Aviva's original installation quote so he asked it to provide the boiler so he could arrange installation separately. Aviva wouldn't provide the boiler, but it did offer to contribute towards his new boiler and installation costs. Aviva offered a little under £400 which was equivalent to its cost to buy. But Mr W thought the offer should've been the retail price which was double the amount. Again, I can understand why Mr W thinks that. If Aviva had done something wrong and I thought it should pay towards the boiler and installation, I might've considered an amount equivalent to the cost to Mr W a fair outcome. But I can't see that it has done anything wrong. Aviva offered Mr W exactly what he was entitled to under his policy – a free boiler and a quote for Aviva to install it. He rejected its quote so there was no obligation on Aviva to provide the free boiler.

Despite this, conditional on receipt of evidence that Mr W had a new boiler installed, Aviva offered to pay what it would've cost it to provide the free boiler under his policy. It was under no obligation to contribute, so I think its offer was more than reasonable. I see no reason to ask Aviva to pay any more.

I can see that Mr W was without heating while this matter was ongoing and I'm sorry to hear that. I can appreciate that must've been a frustration. But I can't see that it's Aviva's fault. Mr W rejected its installation quote, so Aviva couldn't do anything further.

In summary, I understand that Mr W thinks Aviva is not being transparent when offering the free boiler under the policy, but I'm satisfied that the conditions are made clear within the policy documents and no promises are made to install at anything other than a "competitive price". Aviva offered the service which should've been available to Mr W under the policy, but he declined. As a gesture of goodwill, Aviva offered to charge a reduced installation fee or pay towards the boiler, with installation completed by an alternative supplier. I'm satisfied that it dealt fairly with Mr W's claim and I won't be requiring any further action.

My final decision

For the reasons given above, my final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 4 February 2021.

Debra Vaughan
Ombudsman