

The complaint

Mr B is unhappy about how Aviva Insurance Limited (Aviva) dealt with issues with his boiler under his home emergency policy.

What happened

Mr B contacted Aviva because his boiler was leaking. When the engineer attended, he told Mr B that the boiler was beyond economic repair. The home emergency policy included a free replacement boiler. However, Mr B was told that it didn't include the cost of installation, which he would have to pay for.

Aviva provided a quote to install the boiler and told Mr B that, to meet the latest regulations, his boiler would also need to be relocated, which would be an additional cost included in the quote. Mr B was also told that he would need to do some of the preparation work for the new boiler, including creating a hole in the ceiling, and would have to 'make good' any damage to plastering and paintwork after the work was done.

Mr B had the work done privately. The person who installed the boiler didn't need Mr B to do any preparatory work, didn't make a hole in the ceiling and didn't cause damage that then had to be 'made good'.

Mr B complained to Aviva. Aviva replied and said that as Mr B had now had the boiler replaced himself that it would pay him £365, which is what Aviva would have paid for a similar size boiler, and £45 compensation for the number of times Mr B had to contact Aviva. It said that its surveyor had to inform Mr B of potential installation issues and that fixing the damage was Mr B's responsibility. Aviva said that it didn't expect customer's to be aware of rules and regulations, but its engineers would notify a customer if it affected them. It also confirmed that, when a policy was taken out, it didn't carry out a survey to check if the boiler might need to be relocated if it was replaced in the future.

Mr B complained to this service. Our investigator didn't uphold the complaint. She said that Aviva had acted reasonably in how it dealt with the issues with installing a new boiler and that she thought the amount offered for the new boiler and the compensation was fair in the circumstances.

As Mr B did not agree, the complaint has been referred to me.

I issued my provisional decision on 27 October 2020. In my provisional decision I explained the reasons why I was planning to uphold the complaint. I said:

According to the documents I've seen, Mr B's boiler was about 14 years old. This meant that, under the terms and conditions of the policy, although a replacement boiler would be provided free of charge, Mr B needed to pay for it to be installed. Mr B is concerned that he was asked to do additional work that then turned out to be unnecessary. As a result, he got another company to do the work and has argued that he lost out financially as a result.

I've read the sales report that was completed by Aviva about installing the boiler, which Aviva has confirmed that Mr B wasn't given a copy of. In the "customer obligations" section it said:

"please remove the ceiling above the new boiler location to facilitate the pipe works to connect through the hatch or we can remove it but won't be liable for any damage or replacing it back."

The sales report also listed several other items in the "customer obligations" section that Mr B was meant to do. This included clearing the area around the boiler, ensuring the side passage was accessible and providing a parking permit.

I've looked at the quote document that Mr B was given. There was a section called "What we need from you". This said "Your surveyor may have agreed with you some actions that you need to undertake before the work can be carried out, these are detailed below". It then said "No actions have been agreed".

Looking at Aviva's records about this case, Mr B seemed to contact Aviva very promptly, and on multiple occasions, to say that he had been told that he would need to remove the ceiling himself but couldn't understand why this was the case. I haven't seen any evidence that Aviva gave him a satisfactory answer to his questions.

So, I can see that Mr B was told that part of the ceiling needed to be removed. But, I haven't seen any evidence that it was made clear to Mr B that Aviva could do the work or why it was necessary. I'm also aware that Mr B had no heating or hot water at a cold part of the year and, despite contacting Aviva on multiple occasions over a couple of weeks, didn't seem to be making any progress on getting his concerns resolved. Mr B therefore had to decide whether to get a boiler through Aviva, when he was unhappy about the work it said needed to be done, or using another company who would do all of the work and didn't need to take down part of the ceiling. So, I can see why Mr B didn't think Aviva was an option and instead got another company to do the work, as he urgently needed a working boiler.

I'm also aware that when Mr B got a different company to carry out the work, he said it didn't remove any of the ceiling. However, if Aviva thought that some of the ceiling needed to be removed for it to carry out the work and that there might then be some damage to fix afterwards, I think it was appropriate to tell Mr B this, so that he was aware. That another company didn't agree, doesn't necessarily make Aviva's assessment wrong, it might just choose to carry out work in a different way. Nonetheless, I don't think that Aviva has provided a clear answer about why it thought the work needed to be carried out and whether it was actually necessary.

However, using a different company meant that Mr B then had to pay for the boiler himself. When Aviva responded to Mr B's complaint, it gave him £365 towards the boiler and £45 in compensation. But, given the issues with the advice and quote that Mr B was given, I don't think this goes far enough. I think Mr B should be put back in the position he would have been had he used Aviva to supply and install the boiler. This was that he wouldn't have paid the cost of a like for like boiler. Looking at the cost of a boiler available under the policy if Mr B had paid for it, an average cost seems to be about £750. So, as Aviva has already paid Mr B £365, I think that it should pay him another £385 towards the cost of the boiler.

I'm also aware that Mr B was concerned about some other issues. Mr B was unhappy that when he first took out the policy that he wasn't told that his boiler might need to be relocated if it was replaced. I think that Aviva needed to provide relevant information based on the situation at the time. I don't think Aviva had to go through every regulation that might possibly apply at some point in the future, including as some requirements might have

changed by the time they became relevant. So I can't see that Aviva was wrong not to provide this information at that time.

Mr B also said that Aviva seemed to expect him to keep up to date on boiler regulations. But I haven't seen anything that suggests to me that this was the case. Aviva explained the regulations that applied at the time that the boiler needed to be replaced and I think that was reasonable.

Mr B was also concerned that Aviva named a range of different teams that he needed to call. Although I can understand that this was frustrating, we can't tell a business how it should operate and if it wants to operate in that way then it can do so. Mr B also complained about the length of the boiler warranty offered. As Mr B didn't get his boiler through Aviva, the boiler therefore isn't subject to whatever length warranty Aviva chose to provide. So, although I note that this was frustrating, I'm not going to comment on this further.

So, looking at the full circumstances of this case, my current view is that I don't think Aviva provided Mr B with clear advice about what needed to be done about the ceiling before a new boiler could be installed or why it was necessary. I think that as a result of this, Mr B felt that he needed to get another company to install a new boiler. I think that Mr B lost out as a result of this and that he should be put back in the position that he would have been had Aviva carried out the work, which is that he wouldn't have had to pay for the cost of a boiler available under the terms of the policy.

As well as the cost of the boiler, I've also thought about whether Aviva should pay Mr B compensation. I'm aware that Aviva has already paid £45, but thinking about the full circumstances of the case, I currently think that it should pay Mr B £200 in total, which includes the £45 it has already paid him. So that is an additional £155. This takes into account that Mr B was without heating and hot water for some time while he tried, unsuccessfully, to get Aviva to explain why the additional work needed to be carried out.

I'm therefore currently minded to uphold this complaint and to require Aviva to pay Mr B an additional £385 towards the cost of the boiler and an additional £155 for the distress and inconvenience caused by the circumstances of this complaint.

I asked both parties to send me any more information or evidence they wanted me to look at by 26 November 2020.

Mr B replied and said he was satisfied that I had taken a pragmatic view of the inconvenience to his family and the additional cost of a replacement boiler. He also wanted to highlight that the additional cost of relocating the boiler was never explained when he renewed his policy. He said that if he had known this, he wouldn't have renewed the policy and saved the money towards a replacement boiler. Although the company that fitted the new boiler had to relocate it, Mr B thought it was reasonable and appropriate to assume that the insurer would inform him of this work before renewing the policy. If Aviva had inspected photos of his boiler, this would have meant he could have been advised of this. He thought I might have overlooked this.

Aviva replied and confirmed that it had nothing further to add.

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've decided to uphold this complaint for the reasons given in my provisional decision.

I've thought about the additional comments that Mr B provided. In my provisional decision, I referred to Mr B's concerns about not being told his boiler might need to be relocated when he first took out the policy. I think similar considerations applied at renewal and that Aviva didn't need to explain every regulation that might possibly apply to Mr B's boiler. In this instance, the need to relocate the boiler only became relevant because of the regulations that were in place at the time the boiler stopped working. I don't think it would be reasonable for me to have expected Aviva to inspect photos of Mr B's boiler at each renewal and provide the relevant regulations for a range of scenarios that may or may not happen during the period of that policy. This wasn't a service provided under the policy terms and conditions, so I also can't see that Aviva said it would do this and failed to do so.

Putting things right

I require Aviva to pay Mr B an additional £385 towards the cost of the boiler and an additional £155 for the distress and inconvenience caused by the circumstances of this complaint. Aviva should also pay interest on the £385 from the date that Mr B paid the invoice to the date that Aviva refunds the money as Mr B lost use of this money for that period.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that the complaint is upheld. As a result, I require Aviva Insurance Limited to:

- Pay Mr B an additional £385 towards the cost of a boiler.
- Pay 8% simple interest on this amount from the date that Mr B paid the invoice to have his boiler replaced to the date Aviva Insurance Limited pays the money.
- If Aviva Insurance Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.
- Pay Mr B an additional £155 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 December 2020.

Louise O'Sullivan
Ombudsman