

The complaint

Mrs D has complained about the service she received from Aviva Insurance Limited (Aviva) after her boiler developed a fault.

What happened

Mrs D has had a HomeServe home emergency policy with Aviva for a number of years. She contacted it on 16 December 2019 because of falling pressure from her boiler. Aviva's engineer said the boiler needed a new pump.

According to Aviva's records, the engineer told Mrs D that he'd look into the cost of a new pump, and if it was under £50, he'd be back the next day to install a new one. If the cost was more, he'd have to discuss this internally.

Aviva later contacted Mrs D to tell her that it couldn't supply a new pump and that the boiler was beyond economic repair. The engineer had reported that the cylinder was corroded and that if a new pump were to be installed without a new cylinder, there would be a risk of damage to Mrs D's property. The cost of a new cylinder was £4,395.82. Mrs D would need a new boiler which Aviva said it would supply and install, but Mrs D would have to pay for the cost of installation.

Mrs D was therefore left without hot water or heating, with the potential that this would remain the case over the Christmas period when she would have children and vulnerable adults staying. Aviva invited her to bring in her own engineer for a second opinion as to whether a new pump could be installed as a temporary measure. Mr D arranged for another engineer to fit a new pump at a cost of £330.58 on 18 December 2019.

Mrs D then continued to press Aviva for a replacement boiler. She says that should've been treated as an emergency, yet it took many hours and over 13 telephone calls and emails before Aviva sent a surveyor to her property to provide a quote for a new boiler on 3 January 2020. A new boiler was fitted on 9 January. She maintains that for the poor service and lack of communication she received Aviva should pay for the installation of her new boiler.

Aviva acknowledged that there had been failings on its part. In particular it accepted that it could've done what the third-party engineer did, and fit a new pump, so it has reimbursed the cost of this to Mrs D. It also paid Mrs D £200 compensation for the inconvenience and upset caused by the failings in the service she received. It has subsequently offered to pay a further £150 compensation, making a total of £350 in addition to the cost of the new pump, but it didn't consider that this should extend to paying for the installation of a new boiler.

As Mrs D wasn't satisfied with Aviva's attempt to resolve her complaint, she brought it to this service. Our investigator's view was that Aviva had acted reasonably in the circumstances and that it wouldn't be reasonable to require it to reimburse Mrs D for the installation cost of her new boiler.

Mrs D doesn't accept our investigator's view and has asked that her complaint be considered by an ombudsman, so it's been passed to me to make a final decision.

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'm not going to uphold Mrs D's complain and I'll explain why.

I should start by saying that I appreciate the frustration and upset that Mrs D would've experienced when she was left without a working boiler on 16 December 2019 with Christmas approaching, and facing the possibility that the boiler issue would not be resolved quickly because of Aviva's view that it couldn't just replace the pump. So for a short time there was the possibility that the family would still be without heating and with only an immersion heater that was "not great" over the Christmas period. Aviva offered to provide temporary heaters but this offer wasn't accepted.

However a third party engineer employed by Mr D was able to do what Aviva was unwilling to do, and fit a new pump as a temporary measure. Heating and water were therefore restored on 18 December 2019.

Following that, Mrs D had considerable frustration in progressing the installation of a new boiler. There were a number of communication problems. I've seen from Aviva's notes that some of these were caused by complaints being logged in the names of both Mr D and Mrs D which resulted in confusion. Aviva's customer relations team also had an incorrect phone number for Mrs D. Because of the service issues she had, Mrs D maintains that Aviva should pay for the cost of the installation of the new boiler.

Aviva has accepted that it could've done things differently. It says it could've replaced the pump as a temporary measure. As it didn't do so, it agreed to reimburse to Mrs D what she'd had to pay the third-party engineer to supply and fit a new pump. And because it acknowledged that it could've acted differently, and that the level of service it had provided hadn't been of the standard expected, it's also offered to pay £350 compensation, but it doesn't agree to pay for the installation of the new boiler.

What I therefore need to consider is whether this is reasonable in the circumstances.

I've considered the terms of Mrs D's policy, and I'm satisfied that in circumstances where a boiler is more than seven years old and is declared to be beyond economic repair the customer is required to pay the cost of installation. So had Aviva's service been as Mrs D expected it to be, she would've had no basis for challenging this. I don't believe Mrs D to be challenging the fact that this is what the policy says. Instead she's arguing that she should receive more by way of compensation.

Awards of compensation that this service can make aren't intended to fine or punish a business. This is the job of the business's regulator. We can award fair compensation that's a proportionate reflection of the impact a business's actions (or inaction) has had on their customer.

If we decide a business has acted unfairly, we consider the impact on their customer. For us to award compensation, we need to decide that the impact of a business's actions has been greater than just a minor inconvenience or upset, more than the inconvenience and upset that happens from time to time in our day-to-day lives and in our dealings with other people, businesses and organisations.

I consider that Mrs D has a legitimate complaint, and that it would be reasonable for Aviva to be required to pay some compensation.

I've taken account of all that Ms D has said about the service problems she says she had with Aviva. I've also taken account of what she's said in response to our investigator's view. She says that the poor service she received from Aviva could've left her vulnerable family without heating and hot water over the Christmas period. But I consider that I can only award compensation for inconvenience that was *actually* suffered, not what *might potentially* have been suffered. To do otherwise would be to punish a business. The lack of heating and hot water was resolved on 18 December, which Aviva paid for, although I acknowledge that Mr and Mrs D had to arrange for this. So it could be argued that when heating and hot water had been restored with the fitting of a new pump, there was no longer any emergency, although I can appreciate that Mrs D would've been anxious to have a new boiler fitted.

Aviva has acknowledged that its service to Mrs D wasn't satisfactory, has apologised, and has offered £350 compensation for the inconvenience that she and her family suffered. Mrs D's annoyance and frustration are quite understandable, but I don't consider that Aviva's poor service is likely to have had such a significant or lasting impact upon her as to justify more compensation than the £350 that Aviva has already offered. It is very much in line with what I would have awarded.

My conclusion is that I consider that the sum of £350 is fair and reasonable in the circumstances as compensation for the stress and inconvenience that Mrs D suffered because of the poor service that Aviva provided on this occasion.

My final decision

For the reasons I've given above, I'm not upholding Mrs D's complaint and I don't require Aviva Insurance Limited to do anything other than to pay Mrs D a further £150 compensation in addition to the £50 it's already paid her.

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

Nigel Bremner
Ombudsman