

The complaint

Mr J complains about Aviva Insurance Limited's (Aviva) service he received when he made a claim under his home emergency policy.

What happened

Mr J made a claim with Aviva as his boiler had broken down. It sent an engineer who found that the boiler required several parts replacing. Aviva found that some of the parts were obsolete and so declared the boiler beyond economical repair (BER). Under the terms of his policy, Aviva offered to provide a free replacement boiler with Mr J paying the installation costs. Mr J accepted Aviva's quote and a new boiler was installed.

The engineers who installed the boiler were only at his property for a few hours and Mr J said that given the cost of the installation over £1,300, he expected the engineers to be at his home for a lot longer. He felt that the cost of the installation should be quoted in the policy terms, so it wasn't an unexpected cost at the time of the claim.

Mr J complained to Aviva and in its final response it said that the installation costs were based on a fixed price and not the time taken to install the boiler. It also said that there was no obligation for Mr J to have accepted Aviva's installation costs. Aviva also found that Mr J didn't have his premiums reduced relating to the boiler cover - which stopped when the boiler was replaced. For this, it refunded the element of the premium for the boiler and paid £25 compensation for the error.

Mr J wasn't happy with this outcome and referred a complaint to our service. One of our investigators considered the complaint and thought it shouldn't be upheld. She said that Aviva hadn't treated Mr J unfairly. It provided a quote for installation that Mr J decided to take. Mr J had the option of not accepting the quote if he wished. And although Mr J said that there were cheaper installers available, Aviva complied with the terms and conditions of the policy. So, there was nothing further that she could ask it to reasonably do.

Mr J didn't agree with our investigator. He said he agreed to the installation as he thought it was a more complicated job that would take a few days not a few hours. He believed that the costs were too high, and that Aviva should be more transparent with its charges, which he felt wasn't the case here. He said that Aviva hadn't been honest or fair and 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 understand that this will come as a disappointment to Mr J, but I hope my findings go some way to explain why I've reached this decision.

It's important that I explain our service's role isn't to regulate the insurance industry – but to consider individual complaints. We can't tell a business what it should charge but we can, when assessing individual complaints, make sure that customers have been treated fairly.

I've carefully considered all the information that Mr J and Aviva have provided, which includes the terms and conditions of the policy as well. I note that Mr J has had cover for several years and made a claim when his boiler had an issue. The boiler was deemed BER due to parts being obsolete and as a result, I have considered what the policy says in situations like this and what Aviva's obligations were to Mr J.

It is accepted by both parties that Mr J's boiler was over seven years old. Looking at the terms and conditions of the policy, it provided the following:

'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.'

Aviva did find a new boiler for Mr J and provided him with a quote for the installation cost. It quoted £1,355.69 for the installation. Mr J also wanted a filter added and this cost an extra £159. Mr J said that he had expected that given the cost of the installation, the installation would've been more complicated than it was. He said that he expected that the installation would take a few days rather than the few hours it took. He felt that the cost of the installation should be included in the terms and conditions of the policy so that it was transparent to the policy holder.

Aviva has said that the cost of the installation was a fixed price and customers were paying for the job and not the number of hours worked. It said that it supplied the boiler as per the terms and conditions of the policy. And it was for Mr J to decide whether he wanted to accept the quote for the installation.

Mr J did accept the quote and duly paid for the installation of the boiler. Having reviewed the terms of the policy, I can't see that Aviva has been unreasonable by relying on the terms of the policy. It provided a quote, which was accepted. I understand that Mr J felt aggrieved because of the cost and his perception that the job was less complicated than he thought. But Aviva has explained that the price of the installation is fixed and not based on hours worked. In those circumstances, I'm not satisfied that Aviva has treated Mr J unfairly.

Mr J has also complained that Aviva should be more transparent in its pricing. If it was a fixed cost, then it should include that cost in the policy documents. Also, that he found other suppliers who were much cheaper.

Whilst I have every sympathy for Mr J's position, ultimately just because cheaper installation costs may be available elsewhere, doesn't mean that Aviva hasn't been fair. If Mr J could find cheaper installation costs, together with the cost of a new boiler too, it was open to him to take this up.

Also, we as a service can't tell a business how it conducts itself nor its practices, procedures or services. That would be the regulator's role. We can as I've said before, look at whether Aviva were reasonable in its dealings with Mr J.

Mr J has said that over the years when he was covered with Aviva, he had cause to call them out several times for various issues. Which Aviva attended to without any complaints from Mr J. So, I haven't seen enough to suggest that Aviva didn't carry out its obligations during the life of the policy.

Finally, Aviva has confirmed that it refunded part of the policy premiums that had not been reduced following the boiler element of cover being removed from Mr J's insurance. For this error, it refunded the appropriate amount as well as compensation of £25, for the trouble and upset it caused for failing to amend Mr J's premium. I have considered whether this is sufficient to put things right and I think it is. Aviva recognised the error and took steps to rectify this. So, there is nothing further that I can fairly ask it to do here.

Taking all of this into account, I'm not satisfied that Aviva did anything wrong. So, I can't reasonably ask Aviva to do anything further to resolve the complaint.

My final decision

For the reasons I have explained, my final decision is that the £25 compensation for the trouble and upset that Aviva Insurance Limited paid is fair in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 29 March 2021.

Ayisha Savage
Ombudsman