

## The complaint

Mr N has complained about the service he received from Aviva Insurance Limited (Aviva) under his HomeServe policy when his boiler broke down and needed to be replaced.

## What happened

The background to Mr N's complaint is well known to both parties and has been referred to by our investigator in his view, so I won't repeat it in detail here. Instead I'll just focus on those parts of it that I consider are significant to Mr N's complaint.

On 5 March 2020, Mr N contacted Aviva to report a boiler fault. This fault left him without heating or hot water. An Aviva engineer attended the next day, 6 March, and identified that a new part was required, so he ordered this. On 7 March, Aviva's parts department contacted Mr N to tell him that the part had been ordered and that it would be fitted on 11 March. Aviva supplied Mr N with temporary heaters on 9 March.

On 11 March, no engineer turned up to fit the new part. Mr N phoned Aviva to find out why and was told that the part was unavailable as the parts team had been unable to source it and had deemed it to be obsolete. Mr N's policy says this:

*"Obsolete parts: HomeServe uses reputable suppliers who stock the usual parts required to fix most boilers. However if, when attempting to fix your system we find that the relevant manufacturer's spare parts are not readily available after a search of all HomeServe's stockists or that parts may be available but will take longer than 28 days to source, HomeServe will not be able to complete your repair. Please refer to obsolete parts section for details of what HomeServe will do in these situations."*

As a result, Mr N's boiler, which Aviva has said was more than seven years old, was deemed beyond economical repair. In these circumstances, Mr N's policy says this:

*"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. The new boiler will provide the same heating and hot water requirements as your existing boiler and will match your existing type of boiler".(my emphasis underlined)*

Aviva directed Mr N to its installations team and on 12 March he was contacted by them to discuss a replacement boiler. He was told he'd have to pay the installation costs. On 14 March he received a quote of £1,804.03 to cover the installation cost by Aviva. This quote was unacceptably high for Mr N and he decided to make his own arrangements for a replacement boiler. This cost him £1,475 for parts and labour. He sent the invoice for this to Aviva and requested that it reimburse him this sum.

Aviva originally misunderstood Mr N's request and responded to say it wouldn't pay him anything. After Mr N had clarified why he was making the request for payment, Aviva responded with an offer to pay him £432 toward his new boiler. This sum was the cost of a

new boiler to Aviva which was all Aviva was required to provide under the terms of Mr N's policy, the installation cost being Mr N's responsibility.

Mr N maintains that Aviva should pay him the full £1,475 that he paid for the supply and fitting of his new boiler. He also complains that his family were left without heating and hot water for over two weeks at a cold time of year. He further complains that on top of his substantial policy premium he was required to pay Aviva a £50 call out charge.

Aviva has paid Mr N £432 but has rejected his claim for full reimbursement of the cost of his new boiler. Aviva has also paid Mr N compensation of £130 for its accepted failure to keep him informed with regards to the non-availability of parts as a result of which Mr N and his family were left without hot water and heating for longer than they should've been. With regards to what Mr N referred to as a call out charge, it has explained that it charged Mr N £60, that being the excess payable under the terms of his policy.

As Mr N wasn't satisfied with Aviva's handling of his complaint, he brought it to this service. He maintains that he is severely out of pocket as Aviva has only paid him £432 towards the cost of his new boiler, and he considers that £130 is inadequate compensation for the distress caused.

Our investigator's view was that Aviva had acted in line with the terms of Mr N's HomeServe policy in paying him £432 towards his new boiler. He also considered that the £130 compensation Aviva had paid him was reasonable for the six days between 6 March and 12 March 2020 when he was without heating and hot water due to delays caused by Aviva.

Mr N doesn't agree with our investigator's view so he's asked that his complaint be considered by an ombudsman. It's therefore been referred to me for a final decision from this service.

### **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 upholding Mr N's complain and I'll explain why not.

I've considered the relevant parts of Aviva's HomeServe policy and I've quoted these above. I think from these it's clear that where a part can no longer be obtained, and a boiler that is seven years or more old is deemed beyond economic repair, Aviva will provide a new comparable boiler but the customer has to pay the cost of installation.

Aviva has said that the boiler itself would cost it £432. It quoted Mr N £1,804.03 for fitting it. If Mr N chose to source a new boiler himself, which he was quite entitled to do, I think it's fair that Aviva makes a contribution to the cost comparable to the cost to it of providing, but not fitting, a new boiler. It has done this. I don't think it's fair that Aviva should also be required to pay for the installation of Mr N's new boiler. It's clear from the policy terms that the cost of installation is to be covered by the customer. So I'm not upholding Mr N's complaint in relation to this part of his complaint.

Mr N has also said that the compensation of £130 that Aviva has paid him is inadequate. I can appreciate that Mr N and his family were without heating and hot water from their boiler from 5 March until the new boiler was installed. However I have to consider the extent of Aviva's responsibility for this.

It hasn't been suggested that Aviva is responsible for Mr N's boiler needing to be replaced. Once a decision had been made that the boiler needed to be replaced there would inevitably be a time gap between then and a new boiler being selected, ordered, and installed. That is a delay in the ordinary course of things for which, in my view, Aviva isn't responsible. Mr N decided to source his own boiler so Aviva can't be held responsible for any further delays.

However I do consider that between Aviva's initial visit on 6 March and 12 March, when Mr N rejected Aviva's quotation for the installation of a new boiler, there was a delay while Aviva attempted to source a replacement part which proved to be unavailable. Mr N had been led to believe that the part was available and on order when in fact it was unavailable.

Aviva has accepted a failure to keep Mr N informed with regard to the non-availability of parts. As a result, Mr N and his family were left without hot water and central heating for longer than they should've been. But in my view this was limited to a period of no more than six days during which it was attempting to access a part. Aviva provided temporary heaters so the upset to Mr N was recognised and mitigated to some extent. For the remainder of the time during which Mr N and his family were without hot water and central heating, I don't consider Aviva was to blame. In my view, it was very fair of Aviva to accept a liability in these circumstances, and I consider that the compensation of £130 that it has paid is reasonable to cover this period of time. I'm therefore not upholding Mr N's complaint about the level of compensation paid.

I've also looked at Mr N's complaint about what he has referred to as a call out charge. Mr N's policy is headed "HomeServe Cover8 with excess". The terms of the policy state:

*"If you have a 'with excess' policy, you will have to pay the amount detailed on your policy schedule each time you make a claim. We will then cover the cost of the rest of the claim up to the applicable claims limit. Excess payment(s) will be taken when you call to make a claim."*

Mr N's policy schedule states that his policy excess is £60, and I've seen from Aviva's records that Mr N paid this sum on 6 March 2020.

Having assessed Mr N's complaints, and considered the terms of his policy, my conclusion is that Aviva hasn't acted unfairly or unreasonably, so I'm not going to require it to do anything more than it's already done.

### **My final decision**

For the reasons I've given above, I'm not upholding Mr N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 17 May 2021.

Nigel Bremner  
**Ombudsman**