

## **The complaint**

Mr B complains about the poor service and delays caused by Aviva Insurance Limited when he needed to make a claim under his home emergency policy.

## **What happened**

Mr B had an existing home emergency policy with Aviva which covered an annual boiler service, and any potential breakdown issues.

In July 2020, Aviva were due to complete the annual boiler service, but when the engineer looked at the boiler, he told Mr B the heat exchange in the boiler was leaking so he couldn't complete the service. He also said the boiler needed replacing urgently. Mr B asked the engineer if this would be covered under his policy and was told it only covered repair not replacement.

Mr B arranged for quotes from several engineers who explained that the fault was dangerous, and in their opinion needed replacing quickly. So Mr B went ahead with an engineer who I'll call 'W'. W replaced the boiler and said they felt Mr B's existing boiler hadn't been serviced properly in the last few years which may have caused the fault and could have had serious consequences had it not been replaced. So Mr B called Aviva to make a complaint.

Aviva upheld Mr B's complaint. They said they couldn't confirm what the engineer had told Mr B at the time, however, they said he would have been covered for a replacement boiler under his policy and they should have contacted him when they received the engineers report. So they offered him £200 in compensation.

Mr B didn't think this was fair given how much he paid for his annual premium. So Aviva increased their offer to £300 compensation and agreed to cover the cost of the replacement boiler – but not installation as this wasn't covered under the policy. Mr B sent Aviva the invoice he'd received from the engineer, but Aviva weren't happy with this as they said it didn't contain the breakdown they wanted.

Mr B tried to get the information from W that Aviva wanted but wasn't able to do so. He asked Aviva to try and contact W themselves so they could settle his claim, and he also offered to accept a lower figure than he'd paid to resolve the issue. Aviva still wouldn't accept this so Mr B asked this service to look into his complaint.

Our investigator thought the complaint should be upheld in part. She felt the £300 compensation offered by Aviva was fair, but she felt the invoice Mr B had given them showed a sufficient breakdown of the costs for materials and installation. So she felt Aviva should refund the materials costs.

Aviva didn't agree. They said the material cost could include items which weren't covered by the policy so in May 2021 they said they'd contact W directly for a breakdown of the materials on the invoice. In early June, Aviva said they hadn't been able to contact W for the breakdown but still didn't agree with the investigator's recommendation.

As an agreement couldn't be reached the case was passed to me to decide.

I issued a provisional decision on 21 September 2021. I said the following:

*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 it but for different reasons to our investigator. I'll explain why.*

*There's no dispute here that Aviva made a mistake and should have told Mr B that he had cover under his policy for a replacement boiler should his not be repairable. So what I need to decide is whether or not Aviva have acted fairly in resolving their mistake and putting Mr B in the position he would have been had this not happened.*

*Aviva have told us they were prepared to cover the cost of a replacement boiler, but the invoice Mr B has provided doesn't show give a breakdown in the 'materials' section and they aren't prepared to pay for additional items which aren't covered under the policy. Mr B has said he has tried to get the breakdown Aviva wanted but he wasn't able to get this. I've also seen he told Aviva that he was prepared to settle the claim for £2,250 to resolve the matter quickly – which Aviva also declined.*

*Looking at the invoice from W I've seen it provides a breakdown of "Materials £2,750 and Labour £1,000" but doesn't give any more information. I've also looked at Mr B's policy which says "If your boiler is beyond economic repair, we'll replace it. You'll just need to pay us for installation if it's over 7 years old". Aviva has said under this definition the policy would only cover a replacement boiler as it came "in the box" and all other replacement parts such as the timer would be included as part of the installation.*

*But I don't think this is fair. I say this because I've looked at the terms and conditions of Mr B's policy and I've seen under the 'Policy Coverage – Gas Central Heating Breakdown' section it says under the cover definitions that "the boiler includes the isolation valve, all manufacturer's fitted components within the boiler together with the pump, motorised valves, thermostat, timer, temperature and pressure controls, chimney structure/flue and expansion cistern".*

*I've also looked at the section for 'Beyond Economical Repair' and I've seen it says Aviva will "source, replace and install a new boiler but you will be required to pay the installation costs". However, I haven't seen any evidence that the parts listed in the definition as being included as part of the boiler would then become part of the installation so I'm persuaded these other items should have been included as part of the 'replacement boiler'.*

*I also haven't seen the term 'Installation' defined in the policy wording and the generally accepted definition of the term 'Installation' is "the act of putting something in place so that it is ready for use". And within the policy this seems to imply the labour involved to fit the boiler – not that parts may or may not be included as part of the installation - which in this case Mr B understood and didn't ask for as part of his claim costs.*

*I recognise Aviva are unhappy with the total cost for materials as they want a more detailed breakdown. However I've looked online at replacement costs and I've seen that the replacement for parts such as the boiler, timer and valves for example would be around the figure W has invoiced as materials. The information available online also says that installation costs for this boiler would be around £1,000 – which is what W charged - so I haven't seen any evidence that leads me to believe Mr B was charged more than the*

*industry expectation for this type of boiler.*

*I acknowledge that Aviva may have been able to source this more cheaply. However, Mr B wouldn't have had find his own engineer had Aviva's engineer not given him incorrect information or if Aviva had contacted Mr B directly once they'd received the engineers report as they should have done inline with their own process.*

*As Mr B was told by all the engineers that looked at the boiler – including Aviva's own engineer - that it was unsafe and should be replaced as soon as possible he tried to mitigate and further damage as soon as possible he went with the engineer that could provide the quickest service. And in this case, if he hadn't called Aviva to make a complaint, it's likely he still wouldn't have been aware he had cover for this under his policy.*

*Throughout the claim process I've seen that Mr B has tried to provide Aviva with the information they required but was unable to do so. Aviva themselves have also been unable to obtain the breakdown for materials when they tried several months later. So I don't think it's reasonable for Aviva to continue to withhold reimbursement costs.*

*Based on what I've seen I'm satisfied the costs are broadly inline with what I'd expect for a replacement boiler of this make and model and the other linked parts to the boiler which would have put Mr B in the position he would have been – such as the timer. So I think Aviva should reimburse Mr B the £2750 he's already paid for the replacement boiler.*

*I've seen that Aviva have offered Mr B £300 compensation for the distress and inconvenience caused, but under the circumstances I don't think this is enough. I say this because Mr B felt he had no option to source his own replacement boiler, so his family had heating and hot water. Had he been given the correct information by Aviva or their engineer, Mr B wouldn't have had to spend time arranging for quotes and tradesmen to attend his property as Aviva should have done this themselves.*

*Then when Mr B did arrange for a replacement boiler, it was only at the point Mr B made a complaint about the poor servicing of his boiler that he was made aware he shouldn't have had to do this. Mr B also spent several months providing Aviva with the information they wanted and trying to request a breakdown for material costs which Aviva themselves could have attempted as they tried to nearly a year after Mr B had made his complaint.*

*Looking at the evidence from both parties, I've seen that Mr B repeatedly tried to engage with Aviva by phone and email, becoming increasingly frustrated with their responses. He also explained he was happy to settle at a lower amount because of the substantial financial outlay he'd made. However, throughout the time Mr B has been trying to resolve his claim, I haven't seen any evidence that Aviva attempted to assist him or come to any interim resolution.*

*Aviva repeatedly said they wanted a breakdown of the costs – which wasn't an unreasonable request initially – however, they would have been able to source costs for a replacement boiler and could have offered Mr B at least a partial settlement for his claim rather than refuse to engage with any reimbursement for the last year despite Mr B's outlay being caused by them. So based on what I've seen, I don't think Aviva treated Mr B fairly or reasonably and I think they should have done more to try and resolve the claim rather than leave it for Mr B to resolve it.*

*Putting things right*

*For all the reasons I've outlined above, I don't think Aviva have dealt with Mr B's claim fairly and reasonably. To put things right I am intending to say Aviva should reimburse Mr B the*

*£2,750 he has paid out for the replacement boiler plus 8% simple interest from the date he paid the invoice to the date of settlement. This is because Mr B should have had his claim settled when he'd reasonably attempted to obtain the information Aviva wanted but wasn't able to do so and his claim should have been settled at this time.*

*It's also clear Aviva's handling of Mr B's claim has caused him distress and inconvenience so I think Aviva should increase their offer of compensation from £300 to £450 to address this.*

I invited Mr B and Aviva to give me any more evidence and information they wanted me to consider before issuing my provisional decision. Aviva responded to say they had nothing further to add. Mr B also responded to say he was happy with the decision and 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, and as both Mr B and Aviva responded to say they accepted my decision and had nothing further to add, I see no reason to reach a different conclusion.

So this final decision confirms the findings set out in my provisional decision.

### **Putting things right**

As I've reached the same conclusion as I did in my provisional decision, Aviva Insurance Limited must do the following:

- Reimburse Mr B the £2,750 costs he's incurred plus 8% simple interest from the date he paid this to the date of settlement;
- Pay Mr B £450 compensation for the distress and inconvenience caused.

### **My final decision**

My final decision is that I uphold this complaint. Aviva Insurance Limited must follow the instructions I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 October 2021.

Jenny Lomax  
**Ombudsman**