

The complaint

Ms B complains about Aviva Insurance Limited's handling of a claim under her home emergency policy.

What happened

In September 2020 Ms B contacted Aviva to report a fault with her boiler. An engineer visited and found several parts were required to complete the repair. Due to the type of boiler Miss B had it was difficult to locate these parts.

Ms B was in regular contact with Aviva over the next few weeks. Some of the parts were obtained but the repair couldn't be completed. During a telephone conversation in mid-October 2020 Aviva's call handler mentioned the boiler may be beyond economical repair, highlighting the ongoing difficulties in getting hold of parts.

The spare parts were eventually sourced, but the specialist engineer dealing with the repair had contracted covid-19 and was isolating. The earliest he could attend was at the end of October 2020. Aviva identified another engineer who could attend a few days earlier. But it said the engineer wouldn't take the parts already ordered, as they would need to diagnose the fault independently.

Ms B decided that because of the delays, and cold temperatures she and her partner couldn't wait any longer. She arranged for a new boiler to be installed and requested a £500 contribution in-line with the policy terms as their boiler was beyond economical repair (BER).

Aviva agreed to £300 compensation for the delays and poor handling of the claim. It said the part needed to complete the repair was available, so the boiler wasn't BER. This meant the policy terms didn't require a £500 contribution to be paid. Ms B was unhappy and complained to this service.

Our investigator decided to uphold Ms B's complaint. She thought the wording of the policy terms meant the boiler was BER. As a result, she said Aviva should pay £500 toward the cost of a new boiler, in addition to £300 in compensation.

Aviva disagreed with the investigators understanding of the BER definition and asked for an ombudsman to review the complaint. It has been passed to me to decide.

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 have decided to uphold Ms's complaint. My findings are broadly the same as the investigators, and I will explain why I think this is fair.

The terms of the policy say:

"On assessment of your main heating system, our engineer may declare it to be 'beyond

economical repair'; this means:

- *the cost of parts (including VAT) to repair the main heating system is greater than 85% of the manufacturer's current retail price of a replacement or a similar model, or*
- *we are unable to obtain the required manufacturer's spare parts from our suppliers to complete the repair, within 28 days."*

And:

"In the unlikely event that your main heating system is declared beyond economical repair, we will advise you to replace it and will contribute £500 towards the cost of a new boiler or electric heater."

It was approaching four weeks after the initial contact with Aviva that it located the required parts. The original engineer couldn't attend to complete the repair for the best part of another week. The alternative engineer could attend a few days earlier. However, they would need to diagnose the fault independently, as opposed to fitting the parts identified by the original engineer. Aviva said the engineer wouldn't bring any of the parts previously ordered because of this.

I have thought about whether the boiler would be repaired within 28 days. The original engineer couldn't have done this. An appointment with the replacement engineer, was offered toward the end of this period, but this meant diagnosing the fault again. Given the timeframes discussed, and that it was likely spare parts were needed, I think it's likely the repair, using either engineer, will have taken longer than 28 days.

Aviva says the main heating system (boiler in this case) is declared BER only if it cannot obtain spare parts within 28 days. It says this doesn't extend to the repair being completed within this timeframe. It also says it won't pay any costs unless these are authorised in advance.

I have thought about whether this is reasonable.

The policy term in question refers to obtaining spare parts. But within the same sentence also refers to completing the repair within 28 days. I think that when considering this term as a whole, the average person would expect this to mean the repair will be completed within this timeframe.

Ms B had no hot water or heating for around four weeks, at a time when it was cold. It's unfortunate spare parts couldn't be sourced sooner and that the original engineer became ill. But I understand why, after such a long period chasing for updates, being given conflicting information as to whether the boiler was BER and being told the engineer would not bring the spare parts that had taken so long to find, that Ms B chose to install a new boiler.

Because Aviva couldn't carry out the repair in a timely manner this forced Ms B to act to ensure she had heating and hot water restored to her home. The company says it didn't authorise for this to take place. But I think it's fair that it provides the £500 contribution toward the boiler, in line with the BER term, for the reasons I have explained.

I also think it's reasonable that Aviva provides compensation for the distress and inconvenience Ms B experienced. The impact was significant given she and her partner were identified as elderly by Aviva, it was a cold time of the year and it was left to them to regularly chase for updates on progress. I understand the company has already paid £300 compensation to Ms B to acknowledge this. I think this is fair.

In summary I don't think Aviva was fair in relying on the policy terms and not agreeing to pay £500 contribution toward the new boiler, but it was fair in providing £300 compensation.

My final decision

My final decision is that I uphold this complaint and Aviva Insurance Limited must:

- pay a £500 contribution toward Ms B's new boiler.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 16 November 2021.

Mike Waldron
Ombudsman