

The complaint

Mrs C complains about Aviva Insurance Limited (Aviva) under her home emergency policy. Her complaint is how Aviva dealt with the breakdown of her boiler and its replacement.

References to Aviva include their agents who provide services and deal with claims under the policy.

What happened

In February 2021, following snow, Mrs C's boiler stopped working. Having a home emergency policy, she contacted Aviva. An engineer visited the following day and diagnosed that a valve needed to be replaced along with other items. As parts had to be ordered, the engineer returned a couple of days later to replace the valve. But he thought another new valve and a circuit board were needed, which also needed to be ordered. The engineer returned a few days later to fit the new valve and circuit board, but when doing so he noticed smoke from the boiler and diagnosed an electrical leak he thought had damaged the valve and circuit board. Given this, he thought the boiler was now beyond economic repair.

Mrs C then requested a different engineer visit to inspect the boiler. He thought there were different issues with the boiler than those diagnosed by the first engineer, but that due to the age and condition of the boiler he suggested it might be better to replace it.

Aviva then said to Mrs C that as the boiler was deemed beyond economic repair, under the terms of her policy she could claim for the cost of a replacement boiler. But Mrs C would have to pay for installation (as the boiler was more than seven years old). Aviva provided a quote for installation, but Mrs C was unhappy at the figure (£1,800). She then approached an independent plumber, who quoted £1,921 for a new boiler, including installation. Mrs C had a new boiler installed by the independent plumber.

Unhappy at the service she'd received, the quote from Aviva for installing a new boiler (as well as being without heating and hot water until she'd had a new boiler installed by the independent plumber) Mrs C complained to Aviva. Mrs C was also unhappy at the service from the first engineer, believing that the work he carried out had led to the boiler being deemed beyond economic repair.

In their final response, Aviva said they didn't think the first engineer misdiagnosed the problems or caused the faults that led to the boiler being declared beyond economic repair (although they did confirm elements of poor diagnosis). As Mrs C had replaced her boiler independently, they offered Mrs C £463 (the cost to them of a new boiler) and £337 in compensation for the inconvenience caused to her. Following a further exchange with Mrs C, Aviva increased their offer of compensation to £537 (so making a total of £1,000).

Unhappy at what happened and Aviva's final response, Mrs C complained to this service. The main points of her complaint were that she'd been left with no heating or hot water for three weeks due to the poor service from Aviva. Also that, while her policy covered the cost of a new boiler, she'd have to pay for installation and the quote she'd got from Aviva was so high that it covered the cost of a new boiler and

installation by her own plumber. She wanted Aviva to reimburse her the cost of the new boiler and its installation.

Our investigator upheld the complaint, concluding Aviva hadn't acted fairly. He thought it more likely than not the work by the first engineer led to the boiler being deemed beyond economic repair, based in part on what the second engineer and the independent plumber had said. To put things right, the investigator thought Aviva should reimburse Mrs C for the cost of her new boiler (£1,921) together with interest on the figure. On compensation, the investigator thought that the figure offered by Aviva was fair, so they should pay this in addition to the cost of the new boiler.

Aviva disagreed with the investigator's conclusions and requested an ombudsman review the complaint. They didn't think the evidence clearly indicated the first engineer had damaged the boiler, nor that the second engineer and independent plumber's views were supported by clear evidence. Also, as the boiler was at least 15 years old, it was nearing the end of its life, so it was unfair they should have to pay for its replacement.

In my findings I thought that as Mrs C's boiler was more than seven years old, then in quoting for installation of a new boiler, Aviva were complying with the terms of the policy. As Mrs C decided to source a new boiler from her own plumber, then in offering to pay her the equivalent of what it would have cost them to provide a new boiler (but not installation) I also thought Aviva complied with the terms of the policy. However, I also concluded there was sufficient doubt about the diagnosis of the problems by the first engineer to conclude that his work may (at least) have contributed to the subsequent issues with the boiler and being deemed beyond economic repair. Given this, in thinking about what would be fair and reasonable, I thought Aviva needed to do more.

I considered Aviva's point that the boiler was at least 15 years old and nearing the end of its life, so it was unfair they should have to pay for its replacement. I agreed with that view in part. While I thought it would be unfair for them to pay the whole cost of the new boiler, I thought it reasonable for Aviva to make a further contribution.

I thought a fair solution would be to impute a cost of installation by deducting Aviva's cost of a boiler in its offer to Mrs C (£463) from the £1,921 total cost of Mrs C's boiler (£1,458). In the circumstances, I thought it reasonable for this cost to be shared equally between Aviva and Mrs C.

On the third issue, of compensation, taking all the circumstances into account, I thought £350 for distress and inconvenience would be fair and reasonable.

As I disagreed with the investigator's view, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below.

*What I've provisionally decided – and why
I've considered the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

My role here is to decide whether Aviva has acted fairly towards Mrs C.

Looking at Mrs C's complaint, I think there are three main elements. Firstly, the service provided by Aviva in response to the breakdown of her boiler. Secondly, following her boiler being deemed beyond economic repair, the cost of replacement of her boiler. Thirdly, the compensation for the inconvenience from being without heating or hot water.

On the first issue, Mrs C maintains the work the first engineer carried out led to further issues and the boiler being deemed beyond economic repair. She also points to the findings of the second engineer and her own plumber in support of her view. Aviva dispute this, saying there's no clear evidence that's the case - either in respect of the first engineer damaging the boiler, or to support the views of the second engineer and Mrs C's plumber.

I've considered both views carefully, together with the evidence available (including the reports from the engineers and plumbers and the associated case notes). On balance, while it's not possible to be definitive, I think there is sufficient doubt about the diagnosis of the problems by the first engineer to conclude that his work may (at least) have contributed to the subsequent issues with the boiler and it being deemed beyond economic repair.

I've reached that conclusion for a number of reasons. First, the multiple visits from the first engineer, with different issues identified at each point. While I accept that the need to order parts would have meant more than one visit, the fact that further issues were identified on the second visit, and then the boiler deemed beyond economic repair, indicates (as Aviva's final response and complaint notes acknowledge) an element of poor diagnosis of the faults and testing of components. Second, the same notes also acknowledge that the second engineer's view that there were different issues was plausible and was potentially the case. Thirdly, I've also noted the reports from the second engineer and Mrs C's plumber about the condition of the boiler when they inspected it.

On the second issue, the replacement of her boiler, Mrs C is unhappy that while she was offered a new boiler under the terms and conditions of the policy, she was quoted a cost for installation (£1,800) that she thought was too high. Particularly as she'd been quoted £1,921 for a new boiler and installation by her plumber. In thinking about this issue, I've looked at what the policy provides for. There's a reference under a heading Obsolete parts and BER – after 6 months that states:

"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."

As Mrs C's boiler was more than seven years old, then in providing a quote for installation of a new boiler, Aviva were complying with the terms of the policy. As Mrs C decided to source a replacement boiler from her own plumber, then in offering to pay her the equivalent of what it would have cost them to provide a new boiler (but not installation) I think Aviva again complied with the terms and conditions of the policy.

However, in thinking about what would be fair and reasonable, I've also considered my conclusions on the first issue. As I think there's sufficient doubt about the diagnosis of the problems by the first engineer to conclude that his work may (at least) have contributed to the subsequent issues with the boiler and being deemed beyond economic repair, then I think Aviva need to do more.

I've also considered Aviva's point that the boiler was at least 15 years old and nearing the end of its life, so it was unfair they should have to pay for its replacement. I agree with this view, but only in part. I agree it's unfair for them to pay the whole cost of the new boiler. But given my conclusion that the work of the first engineer may (at least) have contributed to the subsequent issues and being deemed beyond economic repair, then I think it would be reasonable for Aviva to make a further contribution. I'll set out what I think would be a fair way to do this.

While the invoiced cost of Mrs C's new boiler didn't break down the cost of the boiler itself from the cost of its installation, I think a fair solution would be to impute a cost of

installation by deducting the cost of a boiler Aviva used in its offer to Mrs C (£463). Deducting this from the £1,921 total cost of Mrs C's boiler gives a figure of £1,458. In the circumstances, I think it would be reasonable for this cost to be shared equally between Aviva and Mrs C. This would mean Aviva paying Mrs C £463 in respect of the cost of the boiler they would have incurred under the terms of the policy, plus a further £729 (being half of £1,458) to give a total of £1,192.

On the third issue, of compensation, Aviva offered Mrs C a revised sum of £537 for the inconvenience she'd suffered. I've considered the circumstances of the case and I agree that Mrs C would have suffered significant inconvenience, particularly as three visits were made by the first engineer in an attempt to fix her boiler, before it was deemed beyond economic repair. Together with the further visits by the second engineer (as well as Mrs C's independent plumber) I think it's clear that she was inconvenienced for longer than she should have been had the issues been fully diagnosed (if not fixed) on the first visit, even allowing for the boiler subsequently being beyond economic repair. Taking all the circumstances into account, I think £350 for distress and inconvenience would be fair and reasonable.

My provisional decision

For the reasons set out above, my provisional decision is that I uphold Mrs C's complaint. I intend to require Aviva Services Limited to pay Mrs C:

- *£1,192 towards the cost of her new boiler (assuming they haven't already paid the £463 offered as the cost to them of a new boiler).*
- *£350 for distress and inconvenience.*

As Mrs C has already paid for the cost of a new boiler, I also intend to require Aviva Services Limited to pay interest at 8% simple on the figure of £1,192 from the date Mrs C paid the invoice for her new boiler to the date she tells us she accepts my decision (assuming she does accept it).

Mrs C responded to say that she had no further points or information to add to her complaint, while Aviva responded to say they had nothing additional to add at this time.

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.

As both Mrs C and Aviva responded to say, respectively, that she had no further points or information to add to her complaint, and they had nothing additional to add at this time, then I haven't changed my mind on my findings and conclusions. So my final decision remains the same, for the reasons set out in my provisional decision.

My final decision

For the reasons set out above, my final decision is that I uphold Mrs C's complaint. I require Aviva Services Limited to pay Mrs C:

- £1,192 towards the cost of her new boiler (assuming they haven't already paid the £463 offered as the cost to them of a new boiler).
- £350 for distress and inconvenience.

As Mrs C has already paid for the cost of a new boiler, I also intend to require Aviva Services Limited to pay interest at 8% simple on the figure of £1,192 from the date Mrs C paid the invoice for her new boiler to the date she tells us she accepts my decision (assuming she does accept it).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 30 March 2022.

Paul King
Ombudsman