

The complaint

Mr W complains about the quote he received from Aviva Insurance Limited (Aviva), to replace his boiler, following a claim under his home emergency policy.

What happened

Mr W's boiler broke down and he contacted Aviva to make a claim. It sent an engineer who ultimately deemed Mr W's boiler beyond economical repair (BER). Aviva offered to replace the boiler as per the policy terms and conditions. And under the policy, Mr W was told that he would be responsible for the installation costs.

Aviva sent two quotes to Mr W to consider and he agreed that the replacement boiler would be the upgraded model, rather than the like for life model that Aviva would've used to replace Mr W's boiler. When Mr W received the quotes, he questioned Aviva as to why there were items contained in the quotes that should've been included with the installation of the boiler. As he felt that the boiler wouldn't be able to be installed without them.

Aviva confirmed the quotes were correct and that the cost of the actual boiler was excluded from them, in line with the policy terms and conditions. Mr W was unhappy and raised a complaint. In its final response, Aviva maintained its position that it had complied with the policy terms and conditions.

Mr W was given his referral rights and referred a complaint to our service. One of our investigators considered the complaint and didn't think it should be upheld. He said that Mr W felt that paying for the additional costs to bring the installation of the boiler in line with statutory requirements wasn't required as they were needed for the boiler to operate. Aviva said that the additional costs formed part of the installation and under the policy Mr W only had to pay for the boiler itself, which is what had happened here.

Aviva accepted the view, Mr W did not. He said that Aviva hadn't been clear in the wording of the policy. Also, it hadn't been clear in the way the charges were detailed. In that it was listed as boiler and installation as one item. And if the boiler couldn't be installed without incurring these additional costs, then this should have been made clear in the policy, which Mr W said it wasn't. So, he 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 uphold this complaint. I understand that this is likely to be a disappointment for Mr W, but I hope my findings go some way in explaining why I've reached this decision.

I have considered what both parties have said and reviewed the policy terms and conditions. Mr W said that the wording in the policy wasn't clear. In that, the boiler couldn't be installed without incurring the additional costs.

Aviva said that it was clear in the wording of the policy that it would provide a free boiler, but that Mr W would be responsible for the insulation costs. So, I have considered what the policy said.

The terms said: *'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.'* What is of note is that in the section just before this section it says: *'If upon making a claim after the first 6 months of cover your boiler is deemed to be BER or the parts required to fix your boiler are obsolete and the boiler is less than 7 years old, we will source, replace and install a new boiler.'*

I think the wording is clear as there is a distinction between what Aviva would supply depending on the age of the boiler. And as Mr W's boiler was more than seven years old, Aviva's responsibility under the terms and conditions was to provide a free boiler – which is the actual unit – and Mr W was responsible for the installation costs.

I understand that Mr W felt that many of the items required to instal the boiler would be needed, otherwise the boiler couldn't operate. But those costs I think are the necessary installation costs, which the policy makes clear that the policyholder would be responsible for.

Mr W has also said that the quote that he was provided with didn't make it clear that the boiler and installation costs were separate. So, I've had a look at the quotes and also asked Aviva for its comments.

Aviva said that under the policy it would provide the boiler free of charge. The boiler would give the same output as the boiler before. But the discount on the quote is for the cost of the boiler in this instance £929 which was shown on the quotes that Mr W had.

Mr W chose to upgrade his boiler, which is something he was permitted to do. But Aviva explained that even though he upgraded, the discount would remain the same, as Aviva would only provide the discount for the like-for-like model. And Mr W would have to pay the difference. In addition to the cost of the boiler, would be the additional installation costs such as the difference in the cost of parts.

Having reviewed the quotes, I'm satisfied that they clearly showed the costs that Aviva would be responsible for (the boiler as a unit) and the costs that Mr W would be responsible for. So, I don't think Aviva hasn't complied with its obligations under the policy. That is, to supply a boiler and of course for Mr W to pay for the installation costs.

Although I understand that this is not the outcome Mr W would've liked, I won't be asking Aviva to do anything more to resolve this complaint.

My final decision

For the reasons given, I won't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or

reject my decision before 18 October 2022.

Ayisha Savage
Ombudsman