

The complaint

Mr M complains about the service he received from Aviva Insurance Limited after his boiler broke.

What happened

Mr M held boiler cover, which is underwritten by Aviva. The policy that is relevant to this complaint commenced on 25 February 2022 although Mr M had held a policy with Aviva since 2018.

In January 2023, Mr M's boiler began to experience problems and was deemed to be beyond economic repair (BER). So, he asked Aviva to replace the boiler in line with the policy terms and conditions.

Aviva instructed a supplier to provide a quotation for the cost of replacing and installing Mr M's boiler. This quotation was sent to Mr M and he was asked to make payment of £1589, which Aviva said comprised the installation costs.

Mr M disputed the fairness of the quotation he received. He said he should be entitled to choose which company installed the boiler and that, in having to use Aviva's supplier, he was forced to pay higher installation costs. He thought that was unreasonable and complained.

When Aviva responded to Mr M's complaint, it didn't uphold it. It explained that the policy terms required it source and replace a boiler of 7 years or older via its approved installer. It also stated that, while it would cover the cost of the boiler, Mr M was responsible for meeting the installation costs. And it said the costs he'd been asked to pay were in line with the policy.

Being dissatisfied with Aviva's response to his complaint Mr M referred it to our service. Our investigator assessed the information provided but didn't recommend upholding this complaint. They were persuaded that Aviva had dealt with this complaint fairly and acted in line with the policy terms, which they thought were clear and reasonable.

Aviva agreed with our investigator's assessment of this complaint. But Mr M didn't and requested an ombudsman's decision.

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.

Our service assesses complaints independently within a fair and reasonable remit – we don't act for either a consumer or a business. And I want to assure Mr M and Aviva that, in considering this complaint, I thought very carefully about what happened here.

My role is to assess whether I think Aviva made a mistake, or treated Mr M unfairly, such that it needs to now put things right. I can see Mr M and Aviva have gone to some trouble to provide our service with some detailed points about this complaint. I want to assure them that I've read everything they've sent us. But I hope they'll understand if I don't address every comment they've made in this decision. I intend to concentrate on what I consider is key to this complaint.

There's no dispute that Mr M's boiler wasn't working, which led to it being deemed to be BER. Mr M accepts that his boiler couldn't be repaired cost effectively and he's told our service he accepts that the decision to deem it BER was fair and expected having had the boiler for a very long time.

Here there's a dispute between Mr M and Aviva about how the claim to replace the boiler should have been handled and the correct outcome of this claim. And, in determining whether Aviva acted fairly in asking Mr M to pay £1589 towards the installation costs of his boiler, I've carefully considered the policy terms and conditions.

Aviva had a responsibility to provide information about its policy in a clear, fair and unambiguous manner so Mr M could make an informed decision on whether the policy was suitable. The responsibility for ensuring he had the cover he required rested on Mr M.

Aviva issues policy documentation to a policyholder once a policy has been purchased or prior to it being renewed. This documentation includes, amongst other things, a policy schedule and the terms and conditions.

As I've previously mentioned, Mr M was insured with Aviva for boiler cover since 2018 and the terms were provided to him prior to each policy renewal. The most recent policy documentation issued to Mr M is dated 28 January 2022, which was around a month before his policy renewed.

Mr M hasn't told our service he didn't receive policy documentation from Aviva and I've seen copies of the documents he was sent prior to each policy renewal. The terms of the policy have been the same since 2019, which was when they changed to be more in favour of a policyholder with an older boiler.

As I'm satisfied Mr M received the policy renewal information each year, I think he ought to have been aware of the policy terms. I'm also persuaded he'd have had ample opportunity to review the terms relating to how a boiler replacement would be dealt with.

In its renewal documentation, Aviva encourages a policyholder to check the cover meets their needs. It also invites a policyholder to compare cover with other insurers and offers them a cancellation period within which the policy can be cancelled without penalty. This is what I'd expect.

In assessing whether the information Aviva provided was presented in a way that was clear, fair and unambiguous I can see that the policy renewal invitation Mr M received is a 24 page document. This invitation incorporates the policy terms. So, the document provides a clear and self-explanatory summary of the level of cover a policyholder has taken out and the way in which Aviva will deal with a claim for a boiler replacement where the boiler is BER.

Where a boiler is determined to be BER, the terms state that Aviva will:

“source, replace and install a new boiler. If it is 7 years old or older we will source and replace your boiler through our approved installer and you will be required to pay the installation cost. A survey will be completed and an individual quotation will be provided.”

The terms set out in clear, intelligible language and unambiguous terms that Aviva will choose the installer, which will be a company on its approved list. It's also made clear that, to benefit from a free replacement boiler, the policyholder will have to pay the installation costs.

Based on the evidence available, I'm satisfied that Aviva approached one of its approved suppliers to ask it to replace and instal a new boiler. So, it complied with the policy terms about who it can use to assist it in dealing with a claim.

Mr M suggests the policy is ambiguous regarding whose installation costs a policyholder must pay. But, on the basis that Aviva is entitled to use an approved installer, a common sense approach suggests it's the approved installer's installation costs that a policyholder must meet.

I've clarified with Aviva that the quotation it shared with Mr M required him to pay for only the boiler installation costs. I can see there are several costs itemised and I'm satisfied the discounts applied at the end properly take into account that the cost of the boiler is met by Aviva. This mean I don't think Aviva made an error when it asked Mr M to pay £1589.

Based on the evidence available to our service, I'm satisfied Aviva presented Mr M with clear information about its obligations to replace a boiler deemed to be BER and the costs associated with the boiler installation which he'd be required to pay. It acted reasonably and in line with the policy terms in offering Mr M a free replacement boiler provided he pay the cost of its installation. It follows that I'm not upholding this complaint.

I realise Mr M will be disappointed with this decision. But this now brings to an end what we, in trying to resolve his dispute with Aviva informally, can do for him. I'm sorry we can't help Mr M any further with this.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 July 2023.

Julie Mitchell
Ombudsman