

## **The complaint**

Mr and Mrs C complain about how Aviva Insurance Limited ("Aviva") dealt with a claim they made on their home emergency insurance policy after their boiler stopped working.

Any reference to Aviva includes its agents.

## **What happened**

Mr and Mrs C have a home emergency policy which is underwritten by Aviva. The policy provides cover for their home's plumbing, electrics, security, and central heating system.

Mr and Mrs C have oil central heating and it stopped working in November 2022. The boiler was six years old and serviced regularly; with the last service being June 2022.

Mr and Mrs C called Aviva and made an appointment for an engineer to attend the following day. On the following day Mr and Mrs C called Aviva again to let it know they had oil fired heating. They say they were told to reset the boiler and call back if that didn't work.

Mr and Mrs C were told there were no oil engineers available over the weekend, and on Monday they were told Aviva was unable to source the relevant engineer. And so they were advised to call the company that carries out the regular service to see if they could attend.

Mr and Mrs C arranged for the service company to attend and were told the boiler had water inside and they should wait to let it dry to see if the components work. An appointment was arranged for 25 November 2022 where Mr and Mrs C were told the boiler needed to be replaced. Mr and Mrs C replaced their boiler and told Aviva about it.

In early December 2022 Aviva accepted the previous boiler was beyond economic repair and would pay £200 towards the cost of a new one, as outlined in the terms of the policy. But the total cost to Mr and Mrs C was £3,500. Aviva then told Mr and Mrs C it was going to cancel the policy, but it still took the premium. So when Mr and Mrs C contacted Aviva to see if they had cover they were told the policy would be downgraded but would remain active. After that call Aviva cancelled the policy.

Mr and Mrs C say they were without heating for a period of ten days during a cold weather spell. They're elderly with some health issues which were affected as a result of the cold. They say Aviva renewed the policy on 6 December 2022 and took a payment of £118.41. But the policy was then cancelled on 21 December 2022. So Mr and Mrs C complained to Aviva.

Aviva apologised that it wasn't able to provide Mr and Mrs C with a suitable appointment with an appropriate engineer. It offered £100 for the inconvenience caused.

Mr and Mrs C didn't agree. They said they aren't able to get another home emergency policy since they've had one cancelled, they only received £200 towards the new boiler, and £100 for Aviva not being able to send an appropriate engineer. But Mr and Mrs C remain

dissatisfied so they referred their complaint to this service. Aviva also refunded the premium paid in December for the renewal in December 2022 of £118.41.

Our investigator looked into things for them. She upheld some aspects of Mr and Mrs C's complaints. She said Mr and Mrs C having to obtain their own engineer would have been stressful but the £100 offered by Aviva was fair and reasonable for this part of the complaint. She also said Aviva should refund the £118.41 for the premium that was paid before the policy was cancelled. She also thought Aviva should pay Mr and Mrs C a further £150 for the confusion around the policy being renewed and then cancelled, and the suggestion the policy was being downgraded. The investigator said the £200 paid towards the new boiler was fair and reasonable and in line with the terms of the policy, so she wouldn't ask Aviva to do anything further in this respect.

Mr and Mrs C didn't agree. They said the wording that covers the cancellation isn't obvious and refers you from one part to another. They also said the terms and conditions were unfair and needed to be challenged. Because Mr and Mrs C didn't agree the complaint has come 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.

At the outset I think it's useful to reflect on the role of this service. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead this service looks to resolve individual complaints between a consumer and a business. Should we decide that something has gone wrong we would ask the business to put things right by placing the consumer, as far as is possible, in the position they would have been if the problem hadn't occurred.

I understand Mr and Mrs C have strong views about what happened, and I can empathise with the situation they found themselves in. I have read and considered everything I have received carefully and, if I haven't specifically referred to a point that's been made it isn't because I haven't considered it. My role is to consider the evidence to reach what I think is a fair and reasonable outcome, focusing on the key issues. Which is an approach that reflects the informal nature of this service.

The nature of home emergency insurance is to cover emergency repairs when things go wrong. It isn't a maintenance policy. Mr and Mrs C have Home Emergency insurance which provides cover, "at the event of certain plumbing, drainage, electrics, security, pest, oil fired central heating and gas central heating problems."

Mr and Mrs C's complaint is that Aviva didn't provide the service to them that it should have done by not sending out an appropriate engineer to look at the problem with their boiler, paid only £200 towards the new boiler, has confusing and unfair policy terms, and didn't return the premium they paid for a policy which was subsequently cancelled.

### **Providing a suitable appointment with an appropriate engineer**

The policy says in the event of a breakdown of the boiler, "*claims will be dealt with by a HomeServe approved oil engineer who will repair or replace the relevant parts of your boiler.*" So I understand why Mr and Mrs C were expecting their home emergency insurance provider to send an engineer to repair the issue with the boiler.

Aviva explained it was having difficulty sourcing an engineer who could attend, and so offered Mr and Mrs C the option of locating their own insurer and Aviva would reimburse the cost. They also offered £100 to reflect the distress and inconvenience the matter caused. Aviva acknowledged it was unable to send an engineer to Mr and Mrs C as it would have wanted. And since both parties agree I haven't needed to consider if there were issues with sourcing an appropriate engineer. Instead, I've needed to consider whether the compensation offered for the overall level of service provided is fair and reasonable. And I've done so below.

### **Contribution towards boiler**

Mr and Mrs C paid over £3000 to replace their boiler. Aviva paid them £200 towards the cost. The terms of the policy say, "*when your boiler is declared BER (beyond economic repair) we will make a contribution of £200 towards the cost of a new boiler.*" And so Mr and Mrs C were paid what they were entitled to under the terms of the policy. So I can't say Aviva haven't acted fairly here.

Mr and Mrs C say the terms of the policy aren't clear especially in respect of the cancellation of the policy following the boiler being declared BER. I've thought about this carefully. In the policy documents sent to Mr and Mrs C on 8 November 2021 it states there is no cover for boilers that have been declared beyond economical repair.

The terms and conditions in the Policy Coverage section say, "*When your boiler is declared BER, we will make a contribution of £200 towards the cost of a new boiler and your policy will be cancelled in accordance with the procedure outline in section A.*" Section A confirms the underwriter may cancel the policy, "*in any circumstances stated in the Policy Coverage section.*" So I can see the terms do refer you from one section of the wording to another but this is common in most insurance policies so I don't think I can say Aviva has done anything wrong here.

### **Premium**

Mr and Mrs C were incorrectly charged £118.41 for the policy despite the insurance being cancelled. Aviva has agreed to reimburse this amount and I have discussed this further below.

### **The policy**

Mr and Mrs C aren't happy with the terms and conditions of the policy and think they should be changed to make them fairer to both parties as they feel the policy favours the insurer. I am not able to compel Aviva to amend any policies or contract terms as these are business decisions and not within my remit to comment on.

### **Conclusion**

Mr and Mrs C say they were without hot water and heating for around ten days. I appreciate some of the delay was beyond Aviva's control. But Aviva does have a duty to progress a claim fairly and efficiently. And I think it did. Aviva acknowledged it wasn't able to source an appropriate engineer so it offered Mr and Mrs C the option of finding a private engineer, which they did. I think this was fair and reasonable in the circumstances. And meant the claim was progressed more quickly than if Mr and Mrs C waited until Aviva was able to source someone.

But I can see this matter has been stressful for Mr and Mrs C. So I've needed to think about the impact the way the claim was handled and the failures in service have had on Mr and Mrs C, when deciding whether the compensation already offered to them is fair.

Having done so, I can see how being without heating and hot water would have been inconvenient and distressing for Mr and Mrs C. Aviva were unable to source an engineer and so Mr and Mrs C had to find one who could attend. So there was a delay when the claim was initially reported to Aviva. This meant Mr and Mrs C were without hot water and heating for longer than they should have been.

I've also taken into account that being without hot water and heating would have been particularly difficult for Mr and Mrs C given it was winter at the time, and they both have health conditions which were impacted.

Our investigator suggested Aviva pay Mr and Mrs C a further £150 to reflect the distress and inconvenience caused by this matter. Having considered everything, I think this is reasonable, given the trouble and upset detailed above. So, I intend to direct Aviva to pay Mr and Mrs C £150. This is in addition to the £100 it's already offered for the trouble and upset, and the £200 BER for the boiler, and £118.41 for the premium.

### **Putting things right**

Aviva should;

- Pay Mr and Mrs B a further £150 for trouble and upset.
- This is in addition to the £200 BER contribution and the £100 trouble and upset payment it offered them before they brought their complaint to our service.
- Reimburse Mr and Mrs C the policy premium of £118.41 and add interest to this at a rate of 8% simple per year from the date the premium was taken.

### **My final decision**

For the reasons I've explained I intend to partially uphold Mr and Mrs C's complaint and direct Aviva Insurance Limited to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 22 August 2023.

Kiran Clair  
**Ombudsman**