

The complaint

Mr T has complained about how Aviva Insurance Limited (Aviva) dealt with a claim under a home emergency policy.

What happened

Mr T contacted Aviva to send an engineer when he drilled through an electric cable in his home. The engineer told Mr T he could repair the wire by fixing a box to the wall to join the wires together. The engineer said he couldn't replace the wire as the policy didn't cover this. Mr T spoke to Aviva to arrange for another engineer to visit. Aviva sent the same engineer, who again told Mr T that he could only carry out a repair.

When Mr T complained to Aviva, it didn't uphold the complaint. Aviva said it had twice offered to repair the wire, but this had been refused. It would only offer a replacement if it was the only way to resolve the issue.

So, Mr T complained to this service. Our investigator didn't uphold the complaint. She said Aviva had acted fairly by only offering a repair to fix the issue.

As Mr T didn't agree, the complaint was referred to me.

I issued my provisional decision on 10 August 2023. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

Aviva sent an engineer to deal with the wiring problem. Mr T has said he was only offered a repair, but this wasn't suitable as he couldn't then put the kitchen cupboard in place. He said Aviva should have replaced the wire. Aviva has said the policy didn't cover a replacement and that replacing the wire would be an upgrade.

The electrics part of the policy said: "You are covered for an electrical emergency and breakdown of the domestic electrical wiring, including permanent damage caused by a power cut". This included "Failure of the electrical wiring as a result of a DIY accident". Aviva seems to be relying on this wording to explain why it would only carry out a repair, rather than a replacement, under the policy. Looking at this wording, it doesn't describe what action would be taken by an engineer under the policy. I note this is different to the plumbing and drainage part of the policy, which explicitly described this and said:

"The engineer will resolve the immediate problem by repairing or replacing leaking pipes; clearing blocked drains; repairing taps; restoring toilet facilities, repairing leaking overflows; investigating the causes of noisy pipes and quietening these where they can be accessed..."

The electrical section of the policy didn't include any comparable wording. This section explained under "What isn't Covered?" that it didn't include "h) repairing or replacing wiring encased in rubber or lead". I think this suggests that wiring that wasn't encased in rubber or lead could be repaired or replaced, not just repaired. I also note that this section said it didn't cover routine maintenance, including updating a property's wiring "except where necessary as part of a repair". So, I think this also suggested there were times when wiring would be

replaced or updated. But, I think it's unusual and unclear to have to rely on what isn't covered to try and understand what is covered under a policy.

The policy also didn't say whether the work that would be carried out under the policy would be temporary or permanent. Aviva has said the policy was only designed to deal with the immediate emergency. However, the policy said it provided "insurance cover in relation to emergencies and other domestic problems" and covered "an electrical emergency and breakdown of the domestic electrical wiring". So, it wasn't just limited to emergencies.

I haven't seen anything that said the wire was encased in rubber or lead, so I think this meant there was an option to repair or replace the wire, not just repair it. Although the policy didn't say how it would deal with a claim covered by the policy, I've thought about what, in my view, would be fair and reasonable in the circumstances and bearing in mind what policies of this type normally offer. An insurer would normally pay for a repair, if it could be carried out like for like. Where it can't do this, an insurer would normally pay for a replacement. That's usually a choice for the insurer, providing its choice treats the customer fairly and reasonably.

The engineer offered a repair that involved joining the damaged wiring back together using a junction box that would be mounted on the wall. Mr T said he drilled a hole through the electrical cable as part of fitting the kitchen cupboard. He has said he wouldn't be able to put the kitchen cupboard in place if there was a junction box attached to the wall. I've no reason to doubt this. So, this meant that the repair identified by the engineer would either mean Mr T couldn't fit the cupboard or that he would have to get someone else out to remove the junction box and carry out a different repair to then put the cupboard in place. I don't consider this to be a reasonable repair. Mr T shouldn't have to potentially change the design of his kitchen to allow a repair to take place and the policy didn't say that a temporary repair would be carried out to allow for the policyholder to arrange for someone else to then carry out a more suitable repair.

I'm aware Aviva has also said fitting a new cable would be an upgrade. I haven't seen any evidence from Aviva to show why this would be an upgrade. The policy did seem to allow for the possibility of replacing electrical wires. This included where it was necessary as part of a repair. As I don't think the repair the engineer suggested was appropriate and I haven't seen any other options suggested other than replacing the wire, I currently think it's fair to say replacing or updating the wire was necessary.

In the absence of clear policy wording, I'm not persuaded that Aviva acted in line with the terms and conditions. Aviva was responsible for writing the policy and for ensuring the wording was clear. In the circumstances, I currently think it didn't deal with the claim fairly and that it needs to replace the wire.

I'm aware Mr T got a quote from an electrician to carry out work in his home, including to deal with the damaged wire. Aviva only needs to deal with replacing the electrical wire and any other work its engineer would have done as part of doing so. If Mr T has already had the electrical work done, Aviva only need to cover the costs related to the wire. It isn't responsible for any work that wasn't a direct result of Mr T drilling through the wire.

Mr T has also said the engineer seemed to expect him to carry out the repair himself. I listened to a phone call between Aviva and Mr T's partner, who said Mr T had asked about how a new wire would be fitted, but that this was to understand what still needed to be done rather than to do the work himself. The engineer's notes suggested he thought Mr T was going to do the work. I don't know why there was a difference in view on this. I don't doubt that this caused Mr T concern. But I note this wasn't the reason the engineer didn't do the repair. From what I've seen, it was because Mr T said he didn't want the junction box fitted.

I've also thought about compensation. I think Mr T has been inconvenienced and caused concern by the way his claim was handled, Aviva's interpretation of the unclear policy wording, the advice from the engineer, including the discussion of doing the work himself, and being left with an electrical fault that affected his ability to cook. As a result, I currently intend to say that Aviva should pay Mr T £150 compensation.

I asked both parties to send me any more information or evidence they wanted me to look at by 7 September 2023. Both parties replied before that date.

Mr T said he had since completed the work using another electrician. He said it had been a considerable amount of time to go without an oven, so had thought it best to fix the problem. He provided a copy of the invoice for the work.

Aviva replied and, in summary:

- confirmed that the terms and conditions didn't say how a repair would be completed. The terms and conditions just said a breakdown was covered.
- said the exclusion was clear that it would only update, which it said meant "*replace*", a wire if it was necessary to do so as part of a repair. So, was of the view that it had acted correctly based on the terms and conditions.
- said it was more subjective whether it was "*necessary*" to replace the wiring. The engineer and Aviva's agents thought it was not. The repair could be done without replacing the wire.
- it said it had acted incorrectly by saying it was an "*upgrade*" to replace the wire, as this was poor and inaccurate language. It confirmed it wasn't an upgrade to replace a wire as part of a repair.
- it also said it should have recognised that the cupboard needed to be fitted and the personal situation Mr T was in and replaced a large section of wire to allow the customer to fit the cupboard. It said this was where the subjectivity of the clause should have made Aviva do the wire.
- it thought there was a slight issue with Mr T's assertion that he couldn't fit the cupboard in the same place. Mr T had drilled a hole and hit a wire. Aviva therefore presumed the wire needed to be moved, which wouldn't have been done under the policy, or the cupboard needed to be fitted elsewhere, as drilling another hole after the repair might have hit the repaired wire again. Aviva thought this might be an issue that both Aviva and Mr T hadn't made me aware of. It questioned whether Mr T had asked the engineer to move the wire rather than repair it. That would then be an unnecessary repair.
- Aviva thought it did the right thing based on the strictest view of the terms and conditions, but that it should have recognised the circumstances and if Mr T could then fit the cupboard in the same place. It said it should have done the replacement deeming it a "*necessary change*". But if, in reality, the wire was being moved, it could have said it wasn't a repair.
- it said there wasn't a rule that it would channel a wire. It also said there wasn't a rule that it wouldn't. It left engineers to decide the best solution.

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 uphold this complaint and for the reasons given in my provisional decision. As part of that, I've considered the responses from both parties.

I remain of the view that the terms and conditions were unclear. I don't think they were clear to the people who dealt with the claim for Aviva or to Mr T. In addition, although there might have been some circumstances where it wasn't a simple repair or replacement of the existing wire, the solution suggested by the engineer wasn't reasonable. Aviva also seems to accept that it could have looked at the situation differently and replaced the wire, subject to it confirming whether the wire was, in reality, being moved. I think Aviva's response also shows the types of issues that it could have assessed to ensure it made a fair decision about the claim. However, it didn't do this at the time.

Mr T has now had electrical work carried out and I think it's understandable that he did so. Even if the work Mr T later paid for involved moving the wire, that doesn't change my view that Aviva didn't deal with the claim reasonably at the time.

So, thinking about everything that happened, I remain of the view that Aviva needs to pay the cost for replacing the electrical wire. Mr T has already had the electrical work done and has provided a copy of the invoice, which included other electrical work. Aviva only needs to cover the costs related to replacing the wire. It isn't responsible for paying for any electrical work Mr T paid for that wasn't a direct result of him drilling through the wire. For avoidance of doubt, in effect, Aviva needs to pay for all the work its engineer would have done to replace the wire, but at the cost to Mr T based on his invoice for the electrical work. I also think £150 compensation is still reasonable in the circumstances.

Putting things right

Aviva should pay Mr T the cost of replacing the wire at the cost to him based on his invoice for the electrical work and £150 compensation.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require Aviva Insurance Limited to:

- pay Mr T the cost of replacing the wire at the cost to him based on his invoice.
- pay Mr T £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 21 September 2023.

Louise O'Sullivan
Ombudsman