

## The complaint

Mr C complains about Aviva Insurance Limited's ("Aviva") quote for installation costs for a replacement boiler under his home emergency insurance policy.

## What happened

Mr C's boiler broke down and was declared beyond economical repair. He says Aviva attended and quoted £2,560 for a replacement boiler and installation, but with a discount of £1,159, he was required to pay £1,401. Mr C says he did his own research and found he could get a better boiler and installation costs for a lower cost than what Aviva had quoted – so Mr C chose to arrange this privately. Mr C then complained to Aviva that they'd manipulated the quote, so he wasn't benefitting from the discount offered, and he also complained that his policy didn't provide him with the benefit it should've. Aviva responded and explained their quote was the best price they could offer.

Our investigator looked into things for Mr C. He thought Aviva hadn't treated Mr C unfairly in relation to their quote. Mr C disagreed so the matter has come to me for a 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.

Having done so, I've decided not to uphold the complaint. I understand Mr C will be disappointed by this but I'll explain why I have made this decision.

I think it's important to point out the role of this service isn't to set a price for the costs that insurers charge for their services. This is a commercial judgement and for them to decide. But we can look to see whether we agree a consumer has been treated fairly – so is there anything which demonstrates they've been treated differently or less favourably. If we think someone has been treated unfairly, we can set out what we think is right to address this unfairness.

My starting point is Mr C's home emergency policy booklet. This sets out the terms and conditions, and under a section headed 'Obsolete Parts and Beyond Economical Repair boilers' it says, *"If it [boiler] 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 information shows Aviva did, in line with the policy terms and conditions, carry out a survey and produced an installation report, following which they provided an individual quotation to Mr C. Further, and in line with the policy terms and conditions, the boiler was free, but Mr C would be required to pay for installation. The dispute here though relates to the price quoted by Aviva. Mr C says a management agent obtained three quotes from independent providers, and these ranged from £1,400 to £1,600. Mr C says he chose a provider who supplied and installed the boiler for £1,500 – and this was a higher specification of boiler compared to what Aviva were offering.

Aviva say their price is comparable to other national, large providers across the market and they shouldn't be compared to smaller sized providers only. I can see our service has carried out some research into this and compared Aviva's price with other providers. I can see Mr C was asked a series of questions to assist our service in establishing the scope of work required to install the boiler – this ensured the quotes we obtained from other providers would be as realistic as possible. And, using this information we then obtained quotes from a range of providers of differing size – this ensured the information we obtained was fairly representative of the prices across the market. Having carefully reviewed this information, I've then assessed the complaint against the obligations set out in the Consumer Duty principle.

The Consumer Duty applies to open products and services from 31 July 2023. Given Mr C's complaint relates to an event which occurred after the Consumer Duty principle was implemented, I've looked into this further and I've considered specific cross-cutting rules which are that firms must act in good faith and must also avoid causing foreseeable harm.

To determine whether Aviva have acted in a manner which isn't compliant with these rules, I've considered the installation quote they gave to replace the boiler and assessed this against quotes from other providers in the market. And, I've found Aviva's quote to be broadly comparable with quotes from other similar providers in the market. So, I can't say Aviva's quote is excessive or unreasonable in comparison to other providers able to carry out the same installation. I do accept Mr C was able to find a quote cheaper than what Aviva had quoted – but this doesn't mean their quote was unfair and I think it's important to keep in mind that Mr C's quote was from a much smaller provider. I think it's fair and reasonable in the circumstances to measure Aviva's quote against a range of providers in the market – and having done that, I can't say Aviva have acted unfairly.

I understand Mr C says that bigger firms, with more buying power, should have the ability to offer greater discounts and be able to offer products for cheaper than other providers. He says Aviva were claiming a total cost of £2,560 and, after applying an 'imaginary' voucher of £1,159, were attempting to charge him £1,401 for installation alone – which is around what he ended up paying privately for both the boiler and installation. I do acknowledge Mr C's concern, but I've seen the breakdown of the discount that was applied, and I can see this was a legitimate discount and not something which was manipulated to create the impression of there being a discount. And, as mentioned above, I haven't seen any information which suggests Aviva's quote was deliberately overpriced in a manner which was unfair. I do acknowledge Mr C has provided details of three quotes which were between £1,400 to £1,600, but for the reasons I've mentioned, I'm not persuaded Aviva have treated Mr C unfairly with their quote.

I acknowledge Mr C also has concerns around whether the policy offered any benefit given that he was left in a position where he felt he couldn't claim under his policy in view of the quote for installation. I've already addressed why I don't think Aviva's quote was unfair, but I've also considered the benefits, and the quality of those benefits, provided by Aviva if Mr C had chosen to claim against his policy and instructed Aviva to carry out the installation. In this case, the benefits are also broadly comparable to what's on offer from other providers. For example, if Mr C had chosen to instruct Aviva to replace the boiler, they would've offered a 12-month workmanship warranty and a two-year manufacturer warranty. So, taking this all into account, I can't say Aviva have treated Mr C unfairly or acted in a manner which is inconsistent with the requirements set out by the Consumer Duty principle.

I acknowledge Mr C believes he hasn't been treated fairly. I fully understand why, on this basis, Mr C has complained, and I hope he feels reassured that our service has investigated Aviva's quote. But I can't say they've made a mistake in their quote or otherwise treated

Mr C unfairly. I wish to reassure Mr C I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

### **My final decision**

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 October 2024.

Paviter Dhaddy  
**Ombudsman**