

## **The complaint**

Mr K complains about how Aviva Insurance Limited managed and cancelled his boiler insurance.

## **What happened**

On 13 March 2024, Mr K incepted a boiler cover policy, which is underwritten by Aviva. The policy cost an annual premium of £138 although Mr K was paying for cover by monthly instalments.

On 15 March 2024, Aviva dispatched an engineer to attend Mr K's address to undertake a boiler service and health check. Aviva said the engineer recorded a fail for the boiler health check during this visit because the model and make of Mr K's boiler was ineligible for cover under the policy he'd incepted.

Aviva accepts it should have notified Mr K in writing of its inability to insure his boiler but didn't do so. It stated it shouldn't have continued to collect direct debit payments for the policy. Instead, Aviva said it should have downgraded the policy Mr K had incepted to a service only plan and adjusted the premiums accordingly.

Mr K said he contacted Aviva on 5 January 2025 to report a fault with his boiler. But Aviva said this discussion was about the anticipated cost of renewing the policy and a request that it arrange a boiler service. Aviva stated that Mr K disclosed a plumbing issue with his tap, which was covered under a separate policy. Aviva said no boiler fault was reported during any telephone discussions with it in January 2025 or prior to that date.

As a result of Mr K's telephone call to it on 5 January 2025, Aviva said it became aware it had made several errors. It accepted it hadn't notified Mr K, following the boiler service and health check in March 2024, that the boiler was ineligible for cover. It also admitted it had charged Mr K for boiler insurance despite the boiler being excluded from cover.

On 7 January 2025, Aviva wrote to Mr K advising that it had cancelled his boiler insurance and was unable to offer cover. It offered to refund the policy premiums Mr K had paid without any deduction for the boiler service that had been undertaken in March 2024. On receiving Aviva's correspondence, Mr K complained to Aviva about the way in which it had managed, and subsequently cancelled, his policy.

Aviva investigated Mr K's concerns and issued its final response to Mr K's complaint on 6 February 2025. Within its final response Aviva admitted it had erred in not informing Mr K that it was unable to insure his boiler and failing to amend his policy. It apologised for these errors and reiterated its offer to refund the premiums paid without any deduction for the boiler service that had been undertaken when the policy was incepted. It also offered to pay Mr K £50 compensation to recognise the distress and inconvenience he'd been caused.

Being dissatisfied with Aviva's response to his complaint, Mr K referred it to our service. Our investigator looked into what had happened and empathised. But they were persuaded that Aviva had acted reasonably in attempting to resolve Mr K's complaint. And they didn't think it

needed to take further action here. So, they didn't recommend upholding this complaint.

Aviva agreed with our investigator's view of this complaint. But Mr K didn't and requested an ombudsman's review. I've therefore been asked to decide the fairest way of resolving this complaint.

### **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.

I'm sorry to hear about the difficulties Mr K experienced here. I know he feels very strongly about this matter and I appreciate the reasons he brought his complaint to our service. However, while I sympathise with Mr K, the issue that I must determine is whether Aviva made a mistake, or treated him unfairly, such that it needs to now put things right.

This service is an informal dispute resolution service. When considering what's fair and reasonable, I'm required to take into account a number of matters, which include relevant law and regulations, regulators' rules, guidance and standards, codes of practice, the terms and conditions of any insurance policy and, where appropriate, what I consider to have been good industry practice at the relevant time. I'm not limited to the position a court might reach.

I've read and considered all the information provided by Mr K and Aviva, but I'll concentrate my decision on what I think is relevant to decide the complaint. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is the right outcome.

As I set out in the background to this complaint, Aviva informed Mr K that it's unable to insure his boiler in early January 2025. I've seen evidence from Aviva which demonstrates that the model of boiler that Mr K owns is excluded from the list of boilers that can be covered under this type of policy. I'm persuaded that was also Aviva's position in March 2024 when the policy was inception. So, I'm satisfied that what Aviva has stated about being unable to cover Mr K's boiler is correct. And this means it acted fairly and reasonably in cancelling the policy and declining to insure the boiler.

Aviva said its earliest opportunity to inform Mr K that it was unable to insure his boiler would have been after the boiler service and health check, which was undertaken on 15 March 2024 – two days following the inception of the policy. I accept that this would have been the earliest Mr K could have been notified about Aviva's inability to offer cover here. At that time, of course, Mr K would have still been within the policy cooling off period and he could have cancelled his policy without penalty in favour of more suitable cover elsewhere.

Mr K says that only a boiler health check was undertaken on 15 March 2024 and that no service took place. But I've had sight of job record sheets, which clearly demonstrate that the engineer attending his home that day serviced his boiler in addition to undertaking a boiler health check, which identified that Mr K's boiler was ineligible for cover. But this wasn't communicated to Mr K.

Aviva accepts it erred in its management of Mr K's policy. It concedes it should have informed Mr K that it was unable to cover his boiler in March 2024. It's unclear why that didn't happen here. And I'm satisfied that this led to an unfair expectation in Mr K's mind that his boiler was insured when it wasn't.

Aviva recognises that it should have revised the policy in March 2024 when it was known the boiler was ineligible – downgrading it to a service only plan. And it acknowledges that, had

that action been taken, Mr K wouldn't have been charged the premiums he continued to pay by direct debit. It was unfair to continue to charge Mr K for a policy that he wouldn't have been able to benefit from given Aviva's stance that it was unable to insure his boiler.

Based on the business records shared with our service, I'm satisfied Aviva was unaware of its errors until 5 January 2025 when Mr K contacted it by telephone. Mr K asserts that he discussed a fault with his boiler during this telephone call. But Aviva disputes this and states that Mr K wanted to discuss his renewal premium and enquire about a boiler service. He then disclosed an issue affecting his tap and was transferred to another department to discuss that fault further as this was covered by a different policy.

In order to decide what most likely happened here, I've carefully listened to a recording of Mr K's call with Aviva from 5 January 2025. There's no mention of a boiler issue by Mr K during his conversation with Aviva. Instead, Mr K clearly asks about the likely renewal cost and Aviva explains that it's unable to confirm this because it's too early to say. He asks about how to arrange for a boiler service and is advised that an annual service had already been undertaken in March 2024. So, a further boiler service wouldn't be possible until the policy renewed. There's then a discussion relating to a problem with his tap that he'd like assistance with before Mr K is transferred to Aviva's claims department.

I'm aware that Aviva contacted Mr K by telephone on 14 January 2025, which was after he'd been notified that his policy had been cancelled and there was no cover for his boiler. Having listened also to that call recording, I'm satisfied a full and clear explanation was provided to Mr K regarding why his policy had been cancelled. During this telephone call, Mr K didn't inform Aviva of any issue affecting his boiler. I say this because Aviva specifically queried whether there was any issue with the boiler and Mr K responded that his boiler was working and providing heating and hot water. He confirmed there was no issue with his boiler but stated he was concerned about what would happen if a problem occurred.

In the overall circumstances of this complaint, I'm satisfied that there's no evidence Aviva was aware that Mr K was experiencing issues with his boiler prior to taking a decision to cancel his policy or in the immediate period thereafter.

I acknowledge Mr K's frustration that Aviva didn't instruct an engineer to attend his home to deal with the issues he says he experienced with his boiler. But, as there were no boiler issues reported by Mr K over the telephone, I'm persuaded that Aviva had no reason to dispatch an engineer to Mr K's home address prior to the policy ending. It isn't responsible for investigating any issues that Mr K may now be experiencing with his boiler after the policy was cancelled.

To resolve this complaint and recognise the errors it had made, Aviva apologised and offered to refund the premiums Mr K had paid without deducting the cost of the boiler service. It also offered to pay him £50 in compensation. I understand that Mr K is seeking £500 in compensation for the trouble and upset he experienced. So, I've considered whether the resolution offered here is fair and reasonable.

I'm satisfied Aviva acted fairly in offering to refund Mr K for the premiums paid for his boiler insurance. He didn't benefit from the policy as it wouldn't have covered him in the event he'd needed to make a claim. So, it's fair that the premiums he paid for the insurance policy are refunded to him. I understand that Mr K paid £138, by way of monthly direct debit instalments. If Aviva hasn't already refunded that money to Mr K it should do so as part of this decision.

Mr K did have the benefit of a boiler service under the policy. Given, the impact of Aviva's errors on Mr K, I think it's reasonable that it isn't seeking to deduct the cost of the boiler

service from the amount to be refunded. I'm satisfied that demonstrates fairness.

Turning now to whether the compensation offered by Aviva to resolve this complaint is fair and reasonable, I want to explain that our service isn't here to punish businesses. To put matters right, I'd have asked Aviva to apologise for its errors, which it's done, and make an appropriate award of compensation to reflect the trouble and upset caused.

When deciding what potential compensation to award our service must take two things into account: financial loss as a result of any business error and non-financial loss, including inconvenience and upset.

In relation to financial loss, I understand that Mr K told our investigator that the cost of his telephone calls to Aviva exceeded £50. But I haven't seen any evidence confirming this cost. And, as our investigator determined during their assessment of this complaint, most calls between Mr K and Aviva were initiated by it in order to discuss the complaint he'd made.

Mr K appears to want Aviva to pay the cost of his monthly telephone and broadband bills. But this wouldn't be a reasonable or fair outcome here because he's been able to use those services for other purposes rather than exclusively using these services to contact Aviva. So, I'm not going to direct Aviva reimburse him the cost of his telephone and broadband line rental.

Turning now to awards for non-financial loss there isn't a set formula that we use to calculate awards for particular errors. It's my role to consider what impact Aviva's actions had on Mr K and to decide, within guidelines set by our service, what an appropriate amount of compensation might be.

It's clear to me that Mr K's experience here went beyond mere irritation. He was caused distress and inconvenience by what happened, which I'm sorry to hear about. I recognise that the service from Aviva could have been better and that this had a detrimental impact on Mr K. But on balance, having had regard to the impact on Mr K I'm satisfied that the compensation Aviva's already paid offered reflects the trouble and upset Mr K would have experienced here. It's consistent with awards our service has made in similar circumstances and it's what I'd have suggested had no offer been made. So, I won't be requiring Aviva to increase the amount it's already offered.

I appreciate that Mr K feels very strongly about the issues raised in this complaint and I know he'll be disappointed with my decision. But, for the reasons already outlined, I'm satisfied Aviva has acted fairly and reasonably here. So, I won't be asking it to do anymore. This now brings to an end what we, in trying to resolve Mr K's dispute with Aviva, can do for him. I'm sorry we can't help him further on 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 K to accept or reject my decision before 6 October 2025.

Julie Mitchell  
**Ombudsman**