

## **complaint**

Mr S complains about how Aviva Insurance Limited dealt with his claim under his home emergency insurance policy.

In this decision I'll refer to Aviva's agents as Aviva.

## **background**

Mr S' boiler stopped working and he had no heating or hot water. He contacted Aviva to get the boiler repaired. He's unhappy about its service and how it dealt with his claim. Mr S has given a lot of detail about his complaint which I'll briefly summarise.

On service, Mr S twice had confirmation of appointments which were then changed, he wasn't informed about all the changes to the appointments, Aviva cancelled his policy without his knowledge, and during a phone call he overheard a staff member making rude comments about him when they thought they had muted the call while transferring him to a manager. It promised it would send some portable heaters which were never delivered. He was without hot water and heating for 16 days when the temperatures outside were near freezing. And when Mr S complained to Aviva about these issues it didn't address all his concerns.

On his claim, he disagreed with Aviva's decision to treat his boiler as beyond economic repair (BER). The policy said the boiler will be assessed as BER if the cost of parts is more than 85% of the cost of the boiler. Mr S said the engineer who came to repair the boiler told him the printed circuit board (PCB) hadn't been fitted properly two years earlier and other parts in the boiler were damaged as a result of that incorrect installation. He said that wasn't his fault so he should be paid more than the £200 for a BER boiler that the policy provided.

Our adjudicator explained why she thought Mr S' complaint should succeed. She recommended Aviva pay Mr S:

- £200 for not addressing Mr S' complaint about Aviva's staff member being rude
- £100 for not providing Mr S with portable heaters
- £200 for Mr S being left without heating or hot water
- £445.15 to cover the cost of the parts to the boiler damaged by the previous PCB fitting (she detailed how she reached this amount).

Mr S said he'd paid £2,800 for a new boiler and was keen to offset the amount the adjudicator recommended towards that cost.

Aviva didn't agree with adjudicator. The engineer told it the leaking heat exchanger damaged the fan assembly, not the PCB. Also the labour fee for fitting the parts hadn't been taken into account. Without the PCB the repair costs would have been £620.89 for the heat exchanger, £162.20 for the fan assembly and £192 for the labour, a total of £975.09. As the new boiler costs would have been £947.10 the 85% criteria was exceeded and the boiler was BER.

Aviva also said it agreed to send Mr S a cheque for £30 for portable heaters, not actual heaters, which was sent to him. It accepted it hadn't responded to Mr S' complaint about the staff's comments. It hadn't sent us the call recording as the conversation wasn't available. It offered Mr S £50 compensation for his distress and inconvenience caused by the staff member. And it didn't agree £200 compensation for the time spent without heating or hot

water saying it wasn't responsible. Mr S was only without these for four days before it told him the boiler was BER.

Before I made my decision we informed Aviva of what I proposed to say about the BER calculation and asked if it had any comments. It agreed that labour costs shouldn't be included and agreed to make the claim costs I proposed.

### **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm upholding Mr S complaint. I think the compensation suggested by the adjudicator is a fair amount in total. And Aviva's now agreed the claim amount I proposed. I'll explain my reasoning.

### *service issues*

Aviva said Mr S' appointment was within its service level agreement timescale. But it hasn't commented about Mr S twice being told of appointments that were cancelled and its general poor communication in keeping him informed about what was happening. Mr S has detailed to Aviva and us how frustrated he was by this.

Although Aviva did tell Mr S his boiler was BER four days after he first called, it's clear from his emails to it that he didn't accept that and wanted a response to his complaint. During that time he was without hot water and heating. I wouldn't expect Mr S to immediately get a new boiler when he disputed Aviva's decision. And he believed he was waiting for heaters to be delivered. From Aviva's notes I can see that a £30 cheque for heaters was sent to him. It's not clear if Mr S knew that was instead of getting heaters, whether he received the cheque or whether it was cashed.

Although the policy is clear it will be cancelled if the boiler is declared BER Mr S wasn't told until he raised it with Aviva which was frustrating for him as he had other items covered by the policy.

As to the comments made by the staff member, I don't know exactly what was said as Aviva says it no longer has the call. It's offered Mr S £50 compensation. It's not clear if this is because it didn't address this aspect of his complaint or because it accepts the comment was made. I've no reason to doubt what Mr S said about a rude comment being made about him. It's added to his overall feeling that Aviva is totally dismissive of his concerns.

I don't think it's helpful to break down the compensation payments as the adjudicator has done. But looking at Aviva's overall poor service I think the £500 in total she's suggested is a reasonable sum. For the avoidance of doubt, if Mr S has cashed the £30 cheque for the portable heater Aviva can deduct that amount from the £500.

*claim*

Aviva's evidence about the cause of the boiler's fault is the same it gave to Mr S at the time of his complaint. But even if I accept that evidence, there's no provision under the policy for labour costs to be included in the calculation for BER so I don't think the boiler meets the BER criteria.

The policy says "If this cost (of parts) exceeds 85% of the manufacturer's current retail price .... for a boiler of the same or similar make and model to your boiler or the then current version of your boiler, it will be deemed to be beyond economical repair".

If, as Aviva suggested, we disregard the cost of the PCB the part costs would be £620.89 for the heat exchanger and £162.20 for the fan assembly, a total of £783.09. The new boiler costs were £947.10 so the 85% criteria aren't exceeded and the boiler wasn't BER. Using Aviva's method of calculation this means Aviva should have paid £783.09 for the costs of the parts to fix the boiler. It's fair that it pays that sum to Mr S in settlement of his claim. If it has already paid him the £200 fixed sum for a BER boiler and he has cashed the cheque it can deduct the £200 from the £783.09.

**my final decision**

I uphold Mr S' complaint.

I require Aviva Insurance Limited to pay Mr S:

1. £500 compensation for his distress and inconvenience (less £30 if the cheque for that amount has been cashed by Mr S); and
2. £783.09 it would have had to pay to replace the parts to repair the boiler (less £200 if the cheque for that amount has already been cashed by Mr S). Interest should be added at 8% simple a year simple for the date of claim to date of payment.\*

Aviva must pay the above within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this it must also pay interest on the compensation at 2 above from the date of my final decision until the date of payment at 8% per year simple\*.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 October 2016.

Nicola Sisk  
**ombudsman**

\*If Aviva Insurance Limited considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr S how much it's taken off. It should also give Mr S a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.