

## **complaint**

Mr R and Mrs Z complain that Aviva Insurance Limited refused a claim for replacement of a hot water cylinder under their home emergency policy.

## **background**

In January 2018, Mr R and Mrs Z reported a leak from their boiler. Aviva attended and said the boiler was beyond economical repair. Under the terms of the policy it offered to replace it.

When Aviva installed the boiler it noticed there was an issue with the hot water cylinder and said that it would also need to be replaced. Aviva didn't agree to cover this amount as it said the type of cylinder their property had was excluded under the policy. Mr R and Mrs Z replaced the hot water cylinder at a cost of around £1,800. It took about three weeks for this work to take place.

Having replaced the boiler, Aviva cancelled the insurance and provided Mr R and Mrs Z with a partial refund. It said it did this in line with its policy terms for when boilers are beyond economical repair.

Mr R and Mrs Z complained to Aviva. They didn't think Aviva should've cancelled their policy. They said if Aviva hadn't cancelled their insurance, they would have been covered for the replacement hot water cylinder. They also said that excluding this type of hot water cylinder represented an unfair contract term, as it made the policy not worth having.

Aviva said its engineer should have realised much earlier that the hot water cylinder wouldn't be covered under the policy. And its failure to do so meant that Mr R and Mrs Z were without heating in their property for around three weeks. It offered Mr R and Mrs Z £300 to recognise the distress and inconvenience caused.

Our investigator didn't think the term was unfair, she said it was up to the insurer what it decided to cover. She also said other hot water cylinders would have been covered under the policy, so they weren't always excluded. She thought £300 was a fair offer to recognise the distress caused to Mr R and Mrs Z.

Mr R and Mrs Z didn't agree. They said their hot water cylinder represented a fire risk, and this hadn't been picked up during the boiler inspections. They maintained the term was unfair and therefore shouldn't be applied. Our investigator explained the cylinder wouldn't have been inspected as it wasn't covered under the policy. As the matter couldn't be resolved it has come to me to decide.

## **my findings**

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 agree with the outcome reached by our investigator. I've explained why below.

Insurance companies are allowed to decide what risks they want to insure. Aviva has decided not to insure the type of hot water cylinder Mr R and Mrs Z had. But I don't think excluding this makes it an unfair term in this case. They were able to claim for their boiler under the policy so I don't agree the policy wasn't useful to them. Mr R and Mrs Z may not have known their cylinder was excluded from cover, but as Aviva didn't sell the policy I'm unable to look at any issues about this under this complaint.

Mr R and Mrs Z have said that if the policy hadn't been cancelled, they would have been covered for all of their repairs. Aviva's policy says that if the boiler is beyond economical repair you will be transferred to a similar policy, but without cover for the gas boiler. In this case there wasn't another suitable policy for Mr R and Mrs Z to be transferred to, so the policy was cancelled and a refund was issued for the rest of the policy term. I've checked Aviva's policy and I can see this is in line with its terms. And even if the policy hadn't been cancelled, Mr R and Mrs Z's cylinder wouldn't have been repaired as it wasn't covered under the policy.

Aviva recognises it should have realised the hot water cylinder wouldn't have been covered earlier. But as it needed replacing, I think Mr R and Mrs Z would have always had to pay the £1,800. So I don't think Aviva needs to compensate Mr R and Mrs Z for this amount. But having to replace the hot water cylinder meant that Mr R and Mrs Z were without heating for around three weeks. Had Aviva told Mr R and Mrs Z earlier, they may have been able to make arrangements for the cylinder to have been replaced quicker or at the same time as the boiler.

Aviva offered £300 to recognise the distress and inconvenience caused by Mr R and Mrs Z not having heating for this time. They say this isn't enough as they were left without heating in poor weather and Mr R suffers from asthma. They say relying on two small electric heaters was expensive and the whole event caused mental stress.

I accept Aviva's mistake has caused unnecessary distress and inconvenience to Mr R and Mrs Z. Aviva's notes say it offered them temporary heaters but that these were declined as Mr R and Mrs Z said they already had some. Temporary heaters are covered under their policy, so I'm satisfied these were offered. I think by offering the temporary heaters Aviva took reasonable steps to try and limit the impact to Mr R and Mrs Z. And I've also considered that even if Aviva had told Mr R and Mrs Z about the cylinder sooner, they may still have been without heating for some time whilst the repair took place. So overall I think the £300 offered is a fair amount.

I realise Mr R and Mrs Z feel very strongly about their complaint against Aviva but for the reasons given above I'm not going to ask them to do anything differently.

**my final decision**

My final decision is I'm not going to ask Aviva Insurance Limited to do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs Z to accept or reject my decision before 30 November 2018.

Michelle Henderson  
**ombudsman**