

complaint

Miss S complains that Aviva Insurance Limited is responsible for poor service under a home emergency insurance policy.

background

Aviva was the insurer responsible for dealing with claims under Miss S's policy. Where I refer to Aviva or the insurer I include the home assistance company, its engineers, claims-handlers and others for whose actions I hold Aviva responsible.

In 2016 Miss S called the insurer for help with her central heating boiler. The insurer sent an engineer who got the boiler working. In April 2018 the boiler broke down and the insurer sent an engineer. It said the boiler was beyond economic repair ("BER"). Miss S had to pay for a new boiler. She complained that this was because since 2016 the insurer's engineers had left the old boiler leaking water.

Our investigator recommended that the complaint should be upheld. He thought that if the engineer in 2016 had done an adequate job, it was possible the boiler could've been repaired at that point, and might not have needed replacing in 2018. The investigator recommended that Aviva should:

1. reimburse 50% of the overall cost Miss S had to pay for her replacement boiler; and
2. not record that Miss S made a claim in April 2018 and not factor such a claim into the price of her policy at renewal; and
3. pay Miss S £200.00 for trouble and inconvenience.

Aviva disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says, in summary, that Miss S had a duty to ensure her property was in good condition. So she wouldn't have allowed her boiler to continue to leak for a period of 18 months and done nothing about it, Aviva says.

my findings

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

The policy covered repair of the boiler. But it provided that if the boiler was BER then the insurer would pay £500.00 towards the cost of a new one. The policy also provided that Miss S would take all reasonable precautions to avoid an emergency and keep her property in good condition.

From what I've seen, I think Miss S's boiler had been installed in about 2006.

The insurer's notes from September 2016 mention the need for a new sensor but say that there was separate issue of a leak. I haven't seen a clear record of what the insurer did about fixing the leak.

Miss S has been clearer, so I accept her recollection. She says that - although he got it working - the engineer in 2016 left the boiler leaking water. And on his advice, Miss S began using a plastic container to catch the drips.

The insurer's notes record a visit in February 2017 to fix a timer. But there's not much detail from the engineer. So on balance I accept Miss S's recollection that the engineer fixed the timer but left the boiler leaking.

I accept that Miss S continued to use the plastic container until April 2018 when the boiler broke down. She contacted the insurer and it sent an engineer. He identified a water leak from the heat exchanger. He also said the following:

"Both PCB [printed circuit boards] have gone, and this will be very unlikely to be related to the work done in 2016 as would have failed well before now"

But the insurer said that the leak from the heat exchanger had damaged other parts of the boiler. And I've seen a costed list including the heat exchanger, the burner, the fan and the PCBs. So I find it more likely than not that the leak had caused the boiler to become BER.

From what she's said, Miss S had been aware of the leak since September 2016. But I find that the insurer had also been aware of the leak since September 2016. Neither Miss S nor the insurer had resolved the leak.

I've seen card payment receipts dated 16 and 18 April 2018. They show that Miss S paid £1,922.91 for the installation of a new boiler.

From the insurer's file, I find that on 19 April it sent a cheque - by way of BER payment - of £500.00.

I find the insurer responsible for damage to the boiler. So I don't find the BER payment was enough to treat Miss S fairly.

Hers was quite an old boiler. So I don't find it fair and reasonable to order the insurer to pay the whole cost of the replacement. I find it fair and reasonable to order the insurer to pay Miss S the following:

half of the cost of £1,922.91 =	£961.45
less BER allowance paid	£500.00
balance to pay	£461.45

I will also order the insurer to pay interest at our usual rate on that balance from 18 April 2018.

The investigator made a recommendation that the claim shouldn't affect the renewal premium. But more recently Miss S has told us that - when she renewed the policy in July - the cost went down slightly. So I don't think I need to make any order about that.

The boiler breakdown caused Miss S upset and inconvenience including concern for the particular needs of her children. I find the insurer responsible for that. And I think the insurer caused Miss S further upset by not upholding her complaint when it should've done. So I find it fair and reasonable to order the insurer to pay Miss S £200.00 for distress and inconvenience.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I order Aviva Insurance Limited to pay Miss S (in addition to the £500.00 it has already paid):

1. £461.45 towards the cost of her new boiler; and
2. simple interest on £461.45 at the yearly rate of 8% from 18 April 2018 to the date it pays her. If Aviva considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Miss S how much it's taken off. It should also give Miss S a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate; and
3. £200.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 24 October 2018.

Christopher Gilbert
ombudsman