

complaint

Mrs H through her relative Mr H complains that Aviva Insurance Limited acted unfairly and unreasonably in relation to a boiler service and care insurance policy. They want Aviva to pay for the costs of a new boiler.

background

Mrs H had a boiler service and care insurance policy with Aviva, and the boiler was inspected in October 2018 by Aviva's engineers to check that it was fit to be covered by the policy. The boiler passed the check. But in December 2018, the boiler broke and Aviva's engineer said that it was dangerous and condemned it. The gas supply to the entire property was also cut off as Aviva's engineer said that it wasn't possible to isolate just the boiler. Mrs H had to heat the property using electric heaters and to cook on camping stoves, which meant she suffered financial loss. She then instructed an independent engineer who isolated the broken boiler from the property's gas supply (Mrs H said he did this very quickly and easily) and installed a new boiler.

Mrs H complained to Aviva, saying that its engineers passed a dangerous boiler as fit in October 2018 and then left her family without gas in December 2018. She also complained that she didn't have any faith in its staff to fit a new boiler, which was why she'd paid the independent engineer to do the work. Aviva said that the boiler shouldn't have been approved as fit in October 2018 and paid £250 compensation, together with a refund of the £60 excess fee paid by Mrs H and the insurance premium (as the boiler shouldn't have been covered by the policy in the first place).

Mr H complained to us on Mrs H's behalf. Mrs H pointed out that she'd had to buy electric heaters while the entire gas supply was shut off unnecessarily by Aviva. The investigator talked to Aviva about its standard response when a customer was left without heating and was told it would supply heaters or contribute towards the cost of a heater. The investigator's view was that the terms and conditions of the policy said that if the boiler was found to be beyond economic repair or obsolete (as Mrs H's had been) in the first six months of the policy, the cover could be changed to exclude the boiler and in some circumstances a refund of the premium given. She thought Aviva's refund of the excess fee and premium was fair and reasonable in all the circumstances, but it didn't need to cover the costs of the new boiler as it wasn't covered by the terms of the policy.

The investigator said that engineers were best qualified to decide whether the entire gas supply needed to be shut off, and Mrs H agreed at the time according to the notes of the engineer made at the time. But she said that Aviva should've left Mrs H some temporary heating as it was winter and in line with its own internal policies. The investigator said Aviva should pay for the heater Mrs H bought (£39.99), but nothing further as the policy excluded Aviva from paying for the costs of running temporary heaters. She thought that £250 compensation for the trouble and upset suffered by Mrs H was fair and reasonable.

Mr H disagreed. He didn't accept that the boiler was obsolete as he could get parts and said Aviva should pay for the costs of the new boiler as its staff couldn't be trusted by Mrs H; he suspected that the boiler could've been repaired economically. Aviva also disagreed; it said that it shouldn't pay for Mrs H's electric heater and said that the insurance policy only provided heaters if its engineer couldn't attend on the same day or the next day, but its engineer attended the day after the boiler broke down. The investigator pointed out to Aviva that its staff had told her that when the gas supply was shut off, heaters were generally supplied; Aviva said that the member of staff had given irrelevant information and the wording of the policy itself took priority. The investigator also told Mr H that it was clear that the boiler shouldn't have passed the October check, and therefore could be reasonably considered as beyond economic repair.

my findings

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

Mrs H's insurance policy covered emergencies and incidents affecting her central heating, plumbing, drainage and electrics (amongst other things), which was why Aviva sent an engineer when her boiler stopped working properly in December. The policy also says that there's a £60 excess fee for each claim.

There's no dispute that the boiler shouldn't have passed the check in October, but I have to consider what would've happened if things had gone as they should've. Mrs H's boiler wouldn't have been covered and when the boiler broke, I think it's more likely than not that she would've had to pay for a new boiler (as her independent engineer replaced, rather than repaired, the boiler).

And the terms and conditions of the policy make it clear that if the boiler broke beyond economic repair or became obsolete in the first six months, it would be removed from the policy and a refund of premiums may be given. By allowing Mrs H to end the policy, and refunding the excess fee and premiums, this is what Aviva has done and I think it's fair and reasonable. It isn't required to pay for a new boiler due to the terms and conditions and because a new boiler was likely to be required in any event. Whether or not Mr H is able to get parts is irrelevant as the boiler shouldn't have been covered by the policy in the first place and it sets out what happens if the boiler breaks down in the first six months.

But Aviva left Mrs H without any heating, despite telling the investigator that its usual policy is to supply temporary heaters or pay the reasonable costs of the consumer in buying such heaters. In this case, I think that the fair and reasonable outcome is that Aviva pays for Mrs H's electric heater. Aviva's engineer shut off the whole gas supply, rather than isolate the boiler (despite it being possible as the independent engineer managed to do so). The policy covers the situation when the boiler is broken and an engineer is delayed; it doesn't cover the situation when the engineer shuts down the entire gas supply. The investigator asked Aviva what happens in such situations and was told it would supply or pay for temporary heating. And I also think if an engineer shuts down the entire gas supply in winter, it's fair and reasonable for a customer of a home emergency policy to expect some assistance.

I think it's fair and reasonable for the cost of Mrs H buying one electric heater to be paid by Aviva in the circumstances (£39.99). I also note that the policy excludes Aviva from paying for the costs of running temporary heaters. I think this is fair and reasonable as Aviva was trying to contact Mrs H about the next steps and she resolved the situation herself promptly.

In relation to the point about the engineer shutting off the entire gas supply, rather than isolating the boiler, I don't have an independent report about this, but note that the independent engineer did manage to isolate the boiler. While Aviva's engineer says Mrs H agreed, it isn't clear if there was a detailed discussion at the time about alternatives. Mrs H was clearly willing to try to manage without gas, but I'm not persuaded from the evidence from Aviva that she had to do so. But I think this is a point best considered when looking at compensation for trouble and upset.

Money never truly compensates for trouble and upset. I think Mrs H was caused upset by Aviva's failure to accurately identify the state of the boiler in October 2018, and inconvenienced by the entire gas supply being shut off. I don't accept Aviva was at fault for not paying for a new boiler so Mrs H's upset about this shouldn't receive compensation. I think in all the circumstances £250 compensation is fair and reasonable.

my final decision

My final decision is that I uphold the complaint and Aviva Insurance Limited should pay Mrs H £39.99. Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 11 August 2019.

Claire Sharp
ombudsman