

complaint

Mr and Mrs G complain that Aviva Insurance Limited acted unfairly and unreasonably when dealing with their claim for a new boiler under a home emergency policy. They want compensation to cover the actual costs of a new boiler and for being left without hot water or heating for some time.

background

Mr and Mrs G had a home emergency policy with Aviva, which covered sudden unexpected events affecting their plumbing and heating (amongst other items). Their boiler was over seven years old and failed in September 2018. Mr and Mrs G agreed to get a new boiler through Aviva. Under the terms and conditions of the policy, they were entitled to a new boiler from Aviva, but would have to pay for installation and any extras required.

In October 2018, Mr and Mrs G arranged for the new boiler to be installed, but the engineers from Aviva said that there was an issue and left. About two weeks later, someone sent by Aviva said the boiler would have to be installed in a new location and scaffolding would be required; Mr and Mrs G declined as they were concerned about the placement of the new flue and the extra cost. Aviva told Mr and Mrs G that they could have the work done themselves; Mr and Mrs G also said that it delayed returning their deposit for the new boiler.

Mr and Mrs G complained to Aviva. It apologised for the need to issue another quote due to change of circumstances. Aviva offered compensation of £120 for inconvenience caused and £386 towards the cost of a new boiler. It also said that it would refund the deposit paid.

Mr and Mrs G complained to us and said that the cost of a new boiler privately was much more than the amount offered by Aviva. They also said that they were left without hot water or heating for about seven weeks and they were retired. Aviva told this service that it wasn't possible to fit the boiler in the original location and it gave Mr and Mrs G a choice of alternative locations, and waited for them to decide. When the choice was made, Aviva said it was then that the surveyor explained about the need to put the flue through the roof.

The investigator's view was that Aviva wasn't at fault. He thought that it wasn't responsible for the delay in replacing the boiler, and said Mr and Mrs G spent some time debating the options. The investigator also noted that Mr and Mrs G refused the offer of temporary heaters, but said if Mr and Mrs G did buy their own heaters, they should provide evidence. He didn't think more than £120 compensation should be paid for this issue.

The investigator also said that the terms and conditions of the policy had been followed by Aviva; it only offered a free new boiler if fitted by its team and the costs of installation were to be paid by the consumer. He noted that the boiler would've cost Aviva £386, which was why it was fair and reasonable to offer that sum to Mr and Mrs G as a gesture of goodwill; it shouldn't have to pay out more to Mr and Mrs G than it would've paid for a boiler. The investigator also said Aviva had offered to pay interest on the refunded deposit if evidence of loss was provided.

Mr and Mrs G disagreed. They said that the investigator hadn't understood the complaint and it would cost them more than £386 to get the same boiler. Mr and Mrs G also said that their concerns weren't about cost, but safety, and Aviva shouldn't have cancelled the installation.

The investigator said that he had understood the complaint. While he accepted it would cost Mr and Mrs G more to get the work done, it was relevant to note Aviva's costs were lower and it wouldn't pay the market price under the policy. The investigator pointed out that the contact notes with Aviva showed Mr and Mrs G were very concerned about the increased costs and said they couldn't afford them, and were told about other places where the boiler could be fitted. He said that there wasn't any evidence Aviva cancelled the installation without Mr and Mrs G's agreement, but the evidence did show that Mr and Mrs G didn't want to go ahead due to cost. Aviva said that it had carried out two surveys and given options, which was why it refused to do another survey.

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 will focus on the core of this complaint, which is about the boiler and Aviva's failure to install one. That said, I don't think the delay in refunding the deposit was so significant that compensation is fair and reasonable, particularly as Aviva has offered to pay any lost interest, subject to evidence from Mr and Mrs G. It does take time to refund money.

Mr and Mrs G argue that the installation to which they originally agreed was cancelled without their agreement or consent. This isn't accurate. What happened was that it wasn't possible to install the boiler as originally planned; this was known to Mr and Mrs G and they agreed to Aviva's surveyor looking for alternatives. The evidence (including notes made at the time, so I can place weight on those notes) shows that Mr and Mrs G were given two alternative options. Neither were particularly attractive to them.

But the alternatives were put forward in a timely way to Mr and Mrs G, and most of the time they were without hot water and heating (in relation to this issue) was because Mr and Mrs G were deciding what to do and then raising concerns about the costs with Aviva. I can see that Aviva noted Mr and Mrs G were a priority due to their age and offered them temporary heaters, which was rejected. If Mr and Mrs G provide evidence showing they bought their own heaters, we can consider this, but currently no such evidence has been provided.

Money never truly compensates for trouble and upset, and being without hot water and heating is a serious matter. But I don't think Aviva is entirely responsible, and the evidence shows that it did try to resolve matters. I think £120 compensation is fair and reasonable, particularly as Mr and Mrs G have said that they were able to access hot water with the assistance of others and rejected the offer of temporary heaters.

This leaves the issue of the boiler. Aviva as a gesture of goodwill offered the amount that the boiler would cost it; under the terms and conditions of the policy, it wasn't required to pay anything if Mr and Mrs G had the work done privately or refused to let Aviva do the work (which is what happened). Having considered all the evidence, I'm satisfied that Aviva acted fairly and reasonably in offering alternatives to Mr and Mrs G when it became clear the boiler had to be re-sited; it sent surveyors and engineers and discussed the options. Ultimately, Mr and Mrs G refused to proceed and the evidence suggests this was largely due to cost – they said that they couldn't afford to pay more. Even the third option would've cost more than the original quote from the evidence available to me.

While I appreciate Mr and Mrs G can't get a boiler at the same cost as Aviva can, I think it's fair and reasonable that Aviva hasn't relied upon the legal terms and conditions of the policy and offered the amount that it would've spent on a new boiler to Mr and Mrs G as a gesture of goodwill. This has taken into account the fact that Mr and Mrs G weren't happy with the options offered for Aviva to do the work, and the initial inability to fit the boiler as first planned.

my final decision

My final decision is that I don't uphold the complaint and I leave it up to Mr and Mrs G whether to accept the offer of £506 from Aviva Insurance Limited if it hasn't already been paid. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 17 October 2019.

Claire Sharp
ombudsman