

complaint

Ms B's complaint is about the handling of a claim under her central heating insurance policy with Aviva Insurance Limited.

Aviva Insurance Limited uses agents to deal with claims on its behalf. All references to Aviva in this decision should be read as including those agents.

background

I issued a provisional decision on this matter earlier in July 2020, the main part of which is copied below:

"On 22 December 2018, Ms B made a claim under her policy as only one of her radiators was heating up. Aviva sent a contractor out the following day. He apparently managed to get some of the radiators working but said a gas engineer was needed to fix the problem properly. Another appointment was therefore made for 24 December 2018. The engineer said there was sludge in the central heating system and added some inhibitor to try and clear this but couldn't get the other radiators to heat up. The engineer said he'd need to also take a sample of the water from the system to be tested and ordered some temporary heaters for Ms B to use in the meantime.

The water sample was apparently taken on 2 January 2019, after no one turning up at a previous appointment on 28 December 2018. During this visit the engineer also said the boiler needed a new two-port valve. This was ordered and an appointment was scheduled for 7 January 2019 for this work to be completed but the engineer didn't turn up until 6pm and this was too later for Ms B.

The engineer re-attended on 9 January 2019 to fit the part but the valve he brought with him was not the correct one. When Ms B chased Aviva to see when the part would be fitted, Aviva wrote to tell her that she needed to have some work done to the wiring for the two-port valve in the boiler, as the electricians kept tripping and the policy would be suspended until she had that done, and if it wasn't done within 28 days the policy would be cancelled.

Ms B says she booked an electrician who came out on 23 January 2019 but he said it was a job for a gas engineer and he could not do anything. Aviva told Ms B to get a second opinion from another electrician but then agreed to send the gas engineer out again anyway.

In the meantime, Aviva said that the results from the water sample showed high levels of scale/sludge within the system and that Ms B therefore needed to have a power flush carried out, which would not be covered under the policy. It quoted her for this and Ms B asked for this in writing due to a hearing impairment. Aviva refused and said she could only book this over the phone and if she wasn't happy to go ahead then she should instruct her own contractor to do the power flush.

Ms B says she got a contractor to look at it and he pointed out that the company that carried out the water testing, and which had recommended the power flush had also stipulated that this must be done with its own brand products. Ms B's contractor also told her that the power flush wasn't required and could cause more damage to the system.

Aviva's engineer went out again on 31 January 2019 to give a second opinion about the work required to fit the valve and he also apparently said the power flush wasn't required

and could cause more damage. I understand the problem was finally resolved (albeit there was still one radiator not heating up) on 22 February 2019. Aviva said this was a temporary repair, as the failure to do a power flush means the debris in the system will cause blockages, which will mean the radiators won't heat up again in the future. then said the boiler had reached the end of its lifespan. Aviva then told Ms B that the boiler was at the end of its lifespan and it would not cover any further issues, as it needs to be replaced.

Ms B is very unhappy with the way her claim was dealt with. She says:

- Aviva has mis-sold the policy to her. It carried out an initial service check of the boiler in July 2017 and an annual service in July 2018; the boiler passing each time. She was told the boiler was insurable, and then six months later it failed and apparently needs replacing and there's no cover when an emergency occurs.*
- The policy is not clear about the relationship between Aviva and the claims-handlers.*
- Her own engineer advised that a power flush wasn't the best solution, as it can cause damage to the system and property. Aviva's engineer also confirmed the same when he attended on 31 January 2019.*
- Aviva damaged the boiler door when repairing the problem, which meant it wasn't closing, it is the cover which protects several working parts of the boiler and means it is now unserviceable. Aviva has said the clips required to fix this are obsolete and so the boiler needs to be replaced.*
- The same engineer that damaged the cover also left the pump in the airing cupboard leaking. Another engineer came out around a week later to sort it out.*
- She has reported the broken cover to Gas Safe who came and inspected the boiler. He said he was not able to complete an inspection because of the damaged cover and said that if the boiler stops working, there will be a problem.*
- The only way to fix the problem properly is to re-pipe the central heating system and replace the radiators. This is not an upgrade just a repair of the problem.*
- There were considerable delays in Aviva's handling of the claim, which meant she was without heating and hot water over Christmas and for several weeks until 22 February 2019 when Aviva did a temporary repair. It was extremely cold weather and she was also unable to work.*
- Some heaters were delivered to her on 28 December 2018 but the instructions weren't clear and she couldn't use them.*
- As there are conflicting opinions about what was wrong with the boiler, she wants a report from the engineer that said its upgrade was necessary.*
- The cost of the power flush and a new boiler should be covered by the policy, which has a £4,000 claim limit and a £500 contribution for a replacement boiler. Ms B wants Aviva to replace the boiler or pay her £5,833.53 which is the cost of the replacement of the boiler and system, without her contribution, so she can get it done privately.*

Aviva says it repaired a leak in the boiler pump and restored heating to eight out of the nine radiators in Ms B's property, and so has fulfilled its obligations under the policy. Aviva says the policy is not a maintenance policy, it is intended to deal with breakdowns only. Ms B's boiler is 25 years old and needs to be replaced due to general system inefficiency but this is not covered by the policy. The boiler is still working and so would not be replaced under the policy. Aviva said its advice was correct – a power flush was needed given the outcome of the tests on the water sample. Its engineers would not normally go round checking each radiator to clean them out but because Ms B had been without heating he agreed to do so. Ms B took the policy out in 2017 at which time the system was working, a year and a half later it failed due to a build up of debris.

Aviva did however offer £750 compensation in recognition of the delays. It also said it would review any costs Ms B incurred for alternative heating, and any third party engineers once proof was provided. Aviva denied damaging the boiler cover but offered to come and fix the clips to the front panel of the boiler as a goodwill gesture. Aviva also says the cover is decorative only and is not a safety feature and is designed to be removed to allow access to the gas valve and pilot assembly, so the pilot light can be lit if necessary. It did go out but said the clips are no longer available and it can't repair this.

One of our investigators looked into the matter. She didn't think it should be upheld, as she thought Aviva had made a reasonable offer of settlement and didn't think that the additional work required was covered under the policy with Aviva.

Ms B does not accept the investigator's assessment, so the matter has been passed to me.

In the meantime, Ms B says her own gas engineer attended in September 2019 to service the boiler and he repaired the remaining radiators for £75. Ms B says the engineer told her that there is also some other work that needs doing, which will cost another £150. Ms B says the problem with the radiators was therefore a simple job. Her engineer also said again that a power flush would be counter productive; that there are other methods which would be preferable to clear a blockage but there is not currently any blockage to be cleared. Ms B also says that he was not able to repair the boiler cover damaged by Aviva.

my findings

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

broken clips

There is very little evidence about how the clips came to break. However, I have no reason to doubt that they broke while Aviva's engineers were working on the boiler. Ms B says that the lack of clips means the boiler can't now be repaired and, as the clips can't now be replaced, Aviva should replace the boiler.

I am not persuaded by this. The boiler is working and although I note Ms B's comments that as the clips are broken there is a fault with it, this means it is not repairable/replaceable under the policy. Aviva would only be responsible for replacing the boiler if it were established that it had broken the clips negligently and that the boiler had to be replaced as a sole and direct result of that negligence.

Parts do deteriorate and it is not uncommon for clips and screws to break when work is done on an appliance, even when removed as carefully as possible. In addition, while I accept that the cover is not 'decorative' as such (I accept that it is protecting some internal parts of the boiler) there is no convincing evidence that the boiler can't be serviced or repaired due to the clips not being in place. Ms B's engineer apparently serviced the boiler in September 2019 and the boiler was also inspected by Gas Safe and there was no finding that it is unsafe as a result of this. The engineer did note that most parts of the boiler are obsolete but didn't say it would not be repairable solely because the clips were broken; and I see nothing in the Gas Safe report to suggest this either.

I am not therefore persuaded that Aviva needs to replace the boiler due to the broken clips. I consider that some additional compensation to acknowledge this is more appropriate.

power flush and electric remedial work

Aviva's engineers strongly recommended that Ms B have a power flush carried out and she was told no other repairs would be done until she had done so.

Aviva says that a power flush would be considered to be general household maintenance. However, I am not persuaded by this. I say this as, in my view, most policyholders would not consider a power flush to constitute normal day-to-day maintenance of a central heating system and I have seen no evidence that boiler manufacturers recommend that a power flush procedure be carried out as part of the general maintenance of the heating system. A policyholder will also not know generally when, or if, a power flush is considered necessary. In addition, there is some debate about the use of power flushes, as the contrary advice from Ms B's own engineer shows.

Aviva told Ms B that her boiler cover was suspended until she had the power flush carried out:

"A water sample was taken by the attending engineers as he suspected there was sludge/debris in the system. The Report shows a loss of boiler efficiency, fuel wastage and noise, and the inhibitor concentration is low or absent. A system cleanse needs to be carried out as per the recommendations on the report and a suitable inhibitor added. This is in line with BS7953 2006 Code of Practice for Treatment of Water in Domestic Hot Water Central Heating Systems.

Unfortunately, the cost of the remedial work will have to be met by you. May I refer you to your policy terms and conditions, which state:

k) sludge/scale/rust within the system or damage caused by any other chemical composition of the water.

Once this work has been carried out ...your boiler cover can be reinstated. The remainder of your policy cover is unaffected."

I can't see anything in the policy wording which would permit Aviva to suspend boiler cover until a power flush has been carried out. It refers to an exclusion of cover for damage caused by sludge and scale but this is not the same as suspending all cover for the boiler.

The policy also refers to maintenance work (and please note my comments above about this) and says that "until the maintenance work is carried out we will be unable to offer any cover for the affected part of your system ...". But even if I accepted this clause was fair, the boiler was not apparently affected by the water quality. The debris in the system was possibly causing problems with flow through some of the pipework but was not affecting the boiler itself (and the repair also involved replacement of a valve, so the water quality was not the only issue).

In addition, the power flush was not needed in order to rectify this problem. The system was repaired and heating restored, without a power flush. While the water in the system may have needed to be replaced, this does not establish that a power flush was the only way of

doing this. Indeed the water quality report recommends a system cleanse (which would usually involve replacing the water and introducing an inhibitor) but this does not necessarily mean this has to be done by a power flush, which would force water through the system to try and dislodge scale and debris.

The suspension of boiler cover and the way the recommendation for the power flush quoted above has been worded (including quoting an industry Code of Practice) implies the consumer has no choice and it is difficult to avoid the conclusion that this was to effectively coerce the consumer into having an expensive procedure carried out. This is not reasonable, is not treating its customers fairly and is contrary to the policy terms, as Aviva had no right to suspend boiler cover in this situation.

In addition, Aviva's agents refused to provide a written quote for this work, which was unreasonable. Aviva wrote to Ms B in January 2019 to state that its 'on demand' department would only provide a telephone quote and she would also have to agree to the work by telephone. As this quote was in relation to private work and not work provided under the insurance policy, I have no jurisdiction to take this issue forward. Suffice to say, I do not consider Aviva acted fairly in defending the refusal to provide a written quote to Ms B.

As stated above, the power flush and the electrical work were not required in order to restore heating to Ms B's home and I do not consider that Aviva acted fairly in relation to this issue. This caused significant delay in resolving the problems and restoring Ms B's heating.

replacement boiler and re-piping system

I note a letter written to Ms B from Aviva says that it confirmed the wiring alterations were not required and the power flush would cause further damage but that the boiler has passed its lifespan and so, if she continued to have problems, Ms B she would have to have any repairs done privately.

I don't think that is acceptable. There is no provision in the policy for Aviva to determine that it simply won't provide any cover if the boiler is old. If it is not working then Aviva was obliged to repair it or determine that it was beyond repair, and act in accordance with the policy terms. It is an old boiler but Aviva knew this when it agreed to insure it only 18 months before.

I understand the boiler was working after the repairs in late February and early March 2019. Therefore, I do not consider that Aviva needs to replace the boiler. However, it was not reasonable or in line with the policy terms for it to suggest it would not cover the boiler at all because of its age.

Ms B says the repairs weren't complete at the time the complaint was brought to us, as one radiator was still not working. She said initially it could only be repaired properly by re-piping the system and/or replacing the boiler. However, it appears she has now had the remaining radiator fixed.

Aviva says it is a temporary fix because there is still debris in the system which might cause blockages again. However, overall it appears the system has been repaired and I don't therefore consider that Aviva has to re-pipe the system. Aviva didn't complete the repair however, so I consider it should reimburse the cost of the repair done by Ms B's own engineer of £75. Ms B says the engineer also recommended some other work at an estimated cost of £150. It's not clear what this work is and I have no evidence it has been

paid. If Ms B can provide more evidence about this, I will consider it but at this time, I can only require Aviva to reimburse the £75.

time taken to deal with claim

There were considerable delays in Aviva restoring the heating in Ms B's home. Initially a plumber was sent out, even though it was a central heating issue, which meant a two day delay before anything was done and one unnecessary appointment. There was then a four day delay before the next scheduled appointment and the engineer didn't turn up. Essentially nothing was done to repair the problem until 22 February 2019.

The insistence on the power flush and rewiring – both of which proved to be unnecessary - caused considerable delay. There was no need for Ms B to be without heating for so long. Her heating was restored without the power flush being carried out (even though she was willing to have it done).

I understand there were around seven attendances, between December 2018 and February 2019, before most of the heating was working; and there was a further attendance on 1 March 2019, as the pump was leaking.

I do not consider the compensation offered by Aviva to be sufficient to reflect the distress and inconvenience this delay and its handling of the claim would have undoubtedly caused to Ms B. Having taken everything into account (including the number of appointments Ms B had to accommodate; the missed appointments; the trouble caused regarding the power flush and rewiring; the broken clips; and suspending the policy unfairly, among other things) I consider that the total sum of £1,250 to be appropriate and in line with awards made in other cases.

my provisional decision

I intend to uphold this complaint and require Aviva Insurance Limited to pay Ms B:

- the total sum of £1,200 compensation (to include the £750 already offered, so if that has already been paid, Aviva only needs to pay the remaining £500); and*
- £75 for the cost of work done by her engineer."*

responses to my provisional decision

I invited both parties to respond to my provisional decision with any further information or arguments they want considered.

Aviva has said it has nothing further to add.

Ms B has she accepts my provisional decision. She also says her engineer carried out the additional work on 11 October 2019 and she paid him £170 for this.

my findings

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

As both parties have accepted my provisional decision, I see no reason to change my findings with regard to Aviva's handling of this matter and the total compensation appropriate to reflect the trouble this caused to Ms B.

In my provisional decision, I determined that total compensation of £1,250 should be paid. However, in the final section of my provisional decision I put the figure £1,200 by mistake (although I referred correctly to separate sums of £500 and £750). I remain of the opinion that Aviva should pay a total of £1,250 compensation (to include the £750 already offered but which Ms B says was not paid); and reimburse Ms B's costs of £75 paid to her own engineer.

Ms B says she paid a further £170 to her engineer for other work to resolve the problems with her heating but I have not been provided with any details of what this work was, or proof of payment. I do not therefore consider that I can reasonably ask Aviva to pay her this additional amount.

my final decision

I uphold this complaint and require Aviva Insurance Limited to pay Ms B:

- the total sum of £1,250 compensation; and
- £75 for the cost of work done by her engineer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 21 September 2020.

Harriet McCarthy
ombudsman