

complaint

Mr and Mrs M complain that they've been paying premiums for a home emergency insurance policy that Aviva Insurance Limited says doesn't cover their boiler.

background

Mr and Mrs M complained to Aviva about this matter. And, being unhappy with its response, they complained to this service.

Mr and Mrs M say they took their policy out in 2012. They say they renewed it for several years, during which maintenance work was carried out on their boiler. But they say in January 2017 they were told it wasn't covered. And they say in March 2017 they received an email saying their policy had been cancelled.

Mr and Mrs M also say they have a combination boiler, not a thermal storage unit. They say this is confirmed by the manufacturer's manual. And they say Aviva's wrong to say it isn't covered under their policy.

Aviva says Mr and Mrs M have a thermal storage unit, rather than a boiler. And it says the terms of its policies changed in 2014 to exclude cover for appliances of this kind.

Aviva also says it refunded Mr and Mrs M's policy premiums for 2016/17 when this issue came to light. But it continued cover for the remainder of the policy year free of charge in case Mr and Mrs M wished to use any of the other facilities the product offered.

Our investigator thought Mr and Mrs M's complaint should be partly upheld and Aviva should reimburse the premiums they'd paid in 2014/15 and 2015/16, less the cost of any maintenance work it carried out during those policy years.

Mr and Mrs M disagreed with the investigator's conclusions. So, the matter's been referred to me to make a final decision.

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've decided to partly uphold Mr and Mrs M's complaint and to require Aviva to reimburse the premiums they paid in 2014/15 and 2015/16, less the cost of the maintenance work it carried out during those policy years. I'll explain why.

I acknowledge Mr and Mrs M feel strongly that Aviva's wrong to say their boiler isn't covered under its policy terms. And they've referred to the manufacturer's description of the appliance. But I think Aviva's entitled to make commercial decisions about the appliances it will cover. And I think it was reasonable for Aviva to conclude, based on the information it had in 2017, that Mr and Mrs M have a thermal storage unit which is therefore excluded from cover under the relevant exclusion in their policy.

The information I've seen indicates when Mr and Mrs M were sent a renewal letter for their policy in 2014 they were also sent a leaflet about important changes to their policy terms,

including the relevant exclusion. So, I think Aviva took reasonable steps to draw this information to Mr and Mrs M's attention.

Mr and Mrs M have told us Aviva knew what type of boiler they had. But Aviva says it didn't have that information. In the circumstances I don't have enough information to conclude Aviva knew or ought to have known the type of boiler Mr and Mrs M had when the policy terms were changed to exclude thermal storage units in 2014.

But I acknowledge that since 2014 Mr and Mrs M have been paying for a policy that they've now been told didn't cover their boiler. I see Aviva refunded their premiums for 2016/17 when this matter came to light. But I think it would be reasonable, in the circumstances for me to require it also to refund their premiums for 2014/15 and 2015/16.

I understand, however, that Aviva carried out maintenance work under Mr and Mrs M's policy during the years I've mentioned. So, I think it would be fair for it to be able to deduct the cost of this work from any further refund of premiums it makes to Mr and Mrs M. And, from the information I've seen, it appears the work undertaken by Aviva in 2014/15 and 2015/16 cost more than the premiums Mr and Mrs M paid in these years, in which case Aviva won't need to make any further payment to them at this stage.

So, I partly uphold Mr and Mrs M's complaint on this basis.

my final decision

I partly uphold Mr and Mrs M's complaint against Aviva Insurance Limited. It must reimburse the premiums they paid in 2014/15 and 2015/16, less the cost of the maintenance work it carried out during those policy years.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 13 April 2018.

Robert Collinson
ombudsman