

complaint

Mr H complains about Aviva Insurance Limited's handling of a claim under his landlord's home emergency insurance policy.

All references to Aviva include the agents it has appointed to handle claims.

background

Mr H registered a claim with Aviva because of a gas leak at his tenanted property.

There were two missed appointments and Mr H complained, so Aviva paid him £60 compensation. After this, there was a further missed appointment – and then another occasion when the engineers said they called out but there was no answer at the property.

During this time, Mr H made numerous calls to Aviva – and there were delays by Aviva in returning his calls.

About nine days after the claim was originally reported, an engineer came and looked at the boiler and said a part was needed.

Mr H contacted Aviva for an update the following day and was told it would be a further six days before the part could be fitted.

Unhappy, Mr H asked for the part number so he could try and look for the part himself. But Aviva couldn't give Mr H this and said an engineer would need to come back out to get the part number for Mr H.

Mr H then arranged for a private engineer to come and look at the boiler. This engineer had difficulty sourcing the part needed, so Mr H replaced the boiler.

Mr H then complained to Aviva, who apologised for the level of service provided and paid him £312.40 – the amount Aviva said it would've cost to repair the boiler – and £250 compensation for the inconvenience caused. This compensation was on top of the £60 it had paid previously, making a total of £310.

Mr H then brought his complaint to the Financial Ombudsman Service. Our adjudicator looked into the case and said Aviva should refund Mr H for the cost of replacing his boiler, refund the cost of his phone calls and pay a total of £500 compensation for the inconvenience caused.

Aviva didn't agree with our adjudicator's opinion but acknowledged it may never have been possible to repair the boiler. Aviva therefore offered a total contribution of £914.74 towards the cost of the new boiler, but said it thought the £310 compensation it had already offered was fair. Mr H didn't accept Aviva's offer.

I sent my provisional decision on this case in March 2017. In my provisional decision, I said it was clear there had been delays and communication issues on the part of Aviva – but this didn't mean Aviva was responsible for the cost of replacing Mr H's boiler.

I said Aviva had told us Mr H's boiler was more than seven years old – which meant the most he would've been entitled to under his insurance policy was a contribution of £200.

I could see that Mr H had to spend a lot of time getting in contact with Aviva – but I thought their offer of compensation fairly reflected this. I said, as Mr H's tenants weren't the policyholders, I couldn't award compensation for any inconvenience they suffered.

As a final point, I said Mr H had benefitted under his policy so I wouldn't be recommending that Aviva should refund premiums to him.

In response to my provisional decision, Mr H provided evidence to show his boiler had been installed less than seven years ago. Aviva then said boiler age was only relevant if Mr H's boiler had been declared 'Beyond Economic Repair' (BER) under the terms and conditions of his policy – and Mr H's boiler hadn't been deemed to be BER. Instead, Aviva said the 'obsolete parts' section of Mr H's policy would apply – which still meant he'd only have been entitled to a contribution of £200 towards the cost of a new boiler.

I told Mr H that, because Aviva's offer exceeded this, I still thought the offer was fair. Mr H responded with the following comments;

- Mr H queried whether in fact his boiler was BER;
- Mr H questioned whether his policy requires Aviva to attend within a certain timeframe;
- Mr H said Aviva should've offered fair compensation up front.

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 definition of 'Beyond Economic Repair' in Mr H's policy is set out as follows:

"...the total cost of parts (including VAT) required to repair the boiler will be determined by us using reputable suppliers. If this cost exceeds 85% of the manufacturer's current retail price (or if this is not available, the average current retail price available through leading UK suppliers) for a boiler of the same or similar make and model to your boiler or the then current version of your boiler, it will be deemed to be beyond economical repair".

This means the section only applies if Aviva has calculated the cost of repairing the boiler as more than a certain price – and this didn't happen in Mr H's case.

Instead, Aviva said it had no way of knowing if the correct part could've been found and the

boiler repaired. This means the 'obsolete parts' section of the policy applies. This says:

"...if, when attempting to fix your boiler and/or system we find that the relevant manufacturer's spare parts are not readily available after a search....or that parts may be available but will take longer than 28 days to source, we will not be able to complete your repair. In this event we will deem that we can no longer offer you gas central heating cover and will make a contribution of £200 towards the cost of a new boiler..."

So, based on what has happened, I think the 'obsolete parts' section of Mr H's policy applies to his situation.

Mr H's policy doesn't guarantee that Aviva will attend to a claim within any specific timescale. But, of course, Aviva should send an engineer as quickly as possible and within a reasonable time period. I agree with Mr H that Aviva didn't deal with this claim as it should've done. But I don't think this means Aviva should pay for a replacement boiler, when this isn't something that his policy would ordinarily provide for in this situation.

I can see Mr H is unhappy Aviva didn't make an increased offer sooner. But Aviva's offer of £914.74 was made outside of the policy terms, as a gesture of goodwill. As Aviva didn't have to make this offer to Mr H, I can't agree it should've paid him this from the beginning.

I'm sorry to disappoint Mr H but I think Aviva's offer is fair in the circumstances and I won't be recommending that it should pay him any increased contribution towards his new boiler, or further compensation.

my final decision

My final decision is that the offer Aviva has made – to pay Mr H £914.74 less the £312.40 already paid, together with £310 compensation – is fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 May 2017.

Leah Nagle
ombudsman