

complaint

Mr P has complained about the way Aviva Insurance Limited's policy and claims administrator has handled his claim under his gas central heating breakdown insurance cover. This is part of a wider agreement, which includes the servicing of his boiler. He's also unhappy the administrator cancelled his insurance cover.

background

Mr P had his boiler serviced under his agreement and the engineer established a part needed replacing. The part was no longer available, so the administrator offered to provide a new boiler, but with Mr P paying the £1,500 cost of having it installed. They also cancelled Mr P's agreement, including his insurance cover. Mr P wasn't happy with this and complained. And the administrator explained they had provided what he's entitled to under the terms of his insurance cover.

Mr P asked us to consider his complaint and one of our investigators looked into it. When the administrator provided us with information about Mr P's case they offered to pay him what it would cost them to replace the boiler in cash as an alternative option. The investigator thought this was fair, but he also suggested Aviva should pay Mr P £100 for the distress and inconvenience the administrator had caused him by not making this offer earlier. And, he said the administrator was entitled to cancel the insurance cover, as they did this in line with the terms and conditions.

The administrator agreed to pay the £100 in compensation and the investigator told Mr P he thought this, along with their offer to provide the cash price of the boiler, was a fair and reasonable outcome to his complaint.

Mr P doesn't agree with the investigator's assessment. He's quoted some case law and said there's been a breach of contract and he has a legal right to claim back his losses.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with our investigator's opinion that what Aviva has now offered through their administrator is fair.

I don't think there's been a breach of contract. The insurance section of the agreement Mr P had at the time of his boiler service said if the boiler breaks down and he makes a claim Aviva will repair or replace the relevant parts. It also said if the parts required to repair the boiler are obsolete and the boiler is more than seven years old Aviva would pay for a new boiler, subject to Mr P paying the installation cost. And this is what Aviva has offered through their administrator.

I've not seen anything that makes me think Aviva's administrator did anything wrong when they took over from the previous administrator. And – for this reason, I don't think the insurance cover was misrepresented or mis-sold to Mr P.

As I've already mentioned, under the terms of Mr P's insurance cover, all Aviva is obliged to do is provide a new boiler and they've offered to do this through their administrator or pay what it would cost them to provide this, which I think is fair and reasonable. It's then down to Mr P to pay the installation cost. I accept the installation charge for Aviva's contractor to

install the boiler has to be reasonable. But I've checked and I think the £1,500 the administrator has quoted is reasonable.

I can see from the quote Mr P has provided, the installation cost he's been quoted is around £1,300 including VAT. Mr P has said it's £700, but I think he's missed off things that are part of the installation cost when he's calculated it. The installation itself is quoted at £700, but I think the flush of the central heating system, the removal and disposal of waste, the filter system, the system chemicals and the pipework etc. are all part of the installation cost. And the amount his contractor has quoted doesn't include a brick match at £150, which is included in the costs quoted by the administrator's contractor. I appreciate the administrator's contractor would charge VAT, but it has to do this as a VAT registered company and a consumer has to pay VAT on boiler installation by a VAT registered company.

I agree with our investigator that the administrator should have been more flexible when handling Mr P's claim and the fact they weren't caused Mr P unnecessary distress and inconvenience. And I'm satisfied that the £100 in compensation suggested is fair and reasonable. This is because it's in line with the sort of award we'd normally make for the level of distress and inconvenience Mr P experienced.

I can understand Mr P's concern about having his insurance cover cancelled, but he no longer had a boiler that Aviva was willing to insure, so I think they were entitled to cancel his cover.

So – in summary I think what the administrator has now offered provides a fair and reasonable outcome to Mr P's complaint.

my final decision

For the reasons set out above, I uphold Mr P's complaint. And Aviva Insurance Limited must either pay him what it would cost them to provide a replacement boiler through their administrator, which is £608.12 or provide the replacement boiler if Mr P would prefer this. And it should install the boiler at the installation cost quoted if Mr P wants them to. Aviva must also pay Mr P £100 in compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 December 2017.

Robert Short
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