

complaint

Mr E complains that Aviva Insurance Limited mishandled the claim he made under his Landlord Combined Cover insurance policy when the boiler at the property he lets to tenants broke down.

background

The boiler broke down shortly before Christmas, leaving the tenants without heating and hot water. So, Mr E made a claim under his policy. The evidence I've seen indicates that an intermediary handled the claim on Aviva's behalf. According to the intermediary's notes, it arranged for an engineer to assess the problem the same day. He carried out some work to get the boiler working. But, early in the new year, the intermediary was told it wasn't working again. Arrangements were made for an engineer to carry out some more work a couple of days later. But he decided an additional part was required. Around two weeks after the problem had recurred, the engineer said the boiler was beyond economic repair. And it was only then that the intermediary arranged for electrical heaters to be provided. The notes say that, because of all this, the tenants refused to pay rent that was due. A few days later, Mr E had a new boiler installed at his own expense.

The intermediary's notes say the boiler was nine years old. It says this information came from the engineer who worked on the boiler. So, it told Mr E that £200 would be paid as a contribution towards the cost of the new boiler. In addition, £250 was paid as compensation for the delay in resolving the claim. But Mr E wants compensation for having to replace the boiler.

Our investigator thought the offer to pay £450 was fair. Mr E disagreed. He said the cost he incurred for the new boiler should be refunded.

my findings

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

First, I must mention that the managing agents for Mr E's property think Aviva should compensate the tenants for being left without heating and hot water. I don't agree. This complaint has been made by Mr E, not the tenants. So, I'm looking at the effect Aviva's actions had on him.

Also, in his complaint form, Mr E said that, when the boiler was assessed to be beyond economic repair, the intermediary told him it would arrange for a new boiler to be installed. But it didn't do this. And, although he knew he'd have to pay the cost of the installation work, he thinks this would have been less through the intermediary than he had to pay when he made the arrangements himself.

The copy of the policy supplied to us doesn't say anything about Aviva being liable under the contract of insurance to arrange for a new boiler to be installed where the original one was more than seven years old. But the intermediary's notes do refer to a "*replacement boiler only option, with installation payable by customer*". And a letter it sent to Mr E said a "*new boiler survey*" was available as an alternative to the £200 contribution to the cost of a new boiler.

The policy is unusual as it says it doesn't just set out the terms of the contract of insurance between Mr E and Aviva. It says it also contains the terms of a contract between Mr E and the intermediary for, among other things, providing him with "*non-insured services*". It's not clear what those services are. Although there's no mention in the policy of assistance with replacing a boiler that's more than seven years old, it's possible the intermediary offers that as a "*non-insured service*" for Mr E.

In this decision I'm looking into the service provided by Aviva because it's responsible for the contract of insurance and how claims are settled. If Mr E is dissatisfied with the intermediary's actions on his behalf, he should complain to that company separately.

The policy said that, under the insurance cover, if the boiler broke down the defective parts would be repaired or replaced. But it also said Aviva wouldn't arrange a repair if the boiler was beyond economic repair. Instead, in that situation, it said it would arrange for the boiler to be replaced if it was less than seven years old. Or, if it was older than that, it said Aviva would pay £200 as a contribution towards the cost of a new boiler.

The policy also stated that, as part of the insurance cover, if it would take more than three days to get a replacement part, two electrical heaters would be purchased for the policyholder to use and keep.

In his complaint, Mr E said the engineer didn't fix the fault during his first visit. This contradicts the intermediary's records. But these do suggest that the engineer thought the problem might recur, as he's reported to have said which parts would be needed if that happened. In my view, the available evidence isn't sufficient to say the initial repair was faulty.

The evidence indicates that the boiler was classified as beyond economic repair because even more parts were needed. Clearly, it would have been better if all the parts that were required had been identified during the engineer's first inspection. But I haven't seen any evidence indicating that he should have been able to do that. As it is, the suggestion is that the need for more parts only became clear as each repair was carried out. I don't think Aviva can be blamed for that.

In his complaint, Mr E said the boiler wasn't nine years old. Instead, it was less than seven years old. He also said it was only installed in the property three years before the breakdown. We asked for more details about this. Mr E's managing agents told us they were in contact with the manufacturer about this. But they then said they couldn't obtain information about the boiler's age.

In my view, the offer of £200 as a contribution towards the cost of the new boiler was in line with the terms of the contract of insurance. The electrical heaters should have been provided sooner than they were, and Aviva's effectively accepted that there were some delays. I think the offer of £250 represents fair compensation for the effect these failings had on Mr E. In reaching this conclusion I've taken account of the fact that the evidence indicates that the intermediary was told about the loss of rent four days before the replacement boiler was installed. I think it's reasonable to assume the payment of rent resumed after that, and that the amount that Mr E actually lost was small.

my final decision

I don't uphold this complaint. I make no award against Aviva Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 20 July 2017.

S Lilley
ombudsman