

complaint

Mrs B complains that Aviva Insurance Limited won't pay a claim she made on her 'Homeserve' landlord emergency cover. After her boiler broke down and a number of visits from Aviva's engineers, she says they left it in an unrepairable condition.

background

Whilst Mrs B's property was empty she contacted Aviva to make a claim on her home emergency cover. She'd noticed that the boiler would only provide hot water when the central heating was on.

Aviva sent three engineers to the property over a three-week period. The first two said that they would have to go away and get extra parts for the boiler. Mrs B says that the third engineer sounded frustrated and caused further damage to the boiler so that it wouldn't work at all. He told her that it wasn't possible for him to return it to its previous semi-working condition. This was on a Friday, with her new tenants due to move in on the Sunday.

As the further parts wouldn't be available until the following Wednesday, with no guarantee that they would repair the issue, Mrs B arranged for her own plumber to attend. As he didn't have details of what parts had been damaged or removed from the boiler, Mrs B arranged to replace it at a cost of £2,530. She also agreed a day's temporary hotel accommodation for her tenants.

Aviva accepted that there were delays in its engineers attending to repair the boiler and apologised on the basis of what Mrs B had said about the attitude of the third engineer. It offered Mrs B £30 for this, plus £40 per week for the delay in resolving the problem and £30 for potentially leaving her boiler in a poorer state (totalling £140). But it wasn't willing to pay for the replacement of the boiler, as it was Mrs B's choice to take matters into her own hands at that stage.

One of our investigators considered the complaint. Although she thought Aviva could've done more to deal with Mrs B's claim, ultimately she didn't think it should meet the cost of replacing the boiler. This was because:

- It was difficult to corroborate Mrs B's report about the engineer's attitude, and Aviva hadn't been able to do this. In those circumstances its gesture to pay £30 for this seemed fair.
- Mrs B's policy provides emergency cover. The terms and conditions don't say Aviva will cover the cost of replacing the boiler if it could be repaired.
- It was conceivable those repairs might take a number of visits – parts might be required, causing a delay, and replacing those parts might then identify further parts needing replacing.
- As the boiler had been replaced, it's no longer possible to establish that the third engineer caused irreparable damage.
- It was a frustrating time for Mrs B. But in order to continue to benefit from the cover under her policy, she would've needed to allow Aviva's engineers to complete the process of repairing the boiler (or classing it as beyond economical repair).
- It likely only became necessary for Mrs B's new tenants to stay in a hotel for one night because of Aviva's earlier delays in arranging for engineers to attend. It was fair and reasonable for Aviva to cover these hotel costs, which Mrs B had already met.

Mrs B didn't accept the investigator's findings, irrespective of whether Aviva agreed. She reiterated a number of her points, including the fact that the only reason the boiler couldn't be fixed was because the third engineer took away parts without leaving details.

In her view, her boiler wasn't old enough to normally require a replacement. Because her tenants included a young child and an elderly person, she thought Aviva should've done more to get the parts over the weekend – such as from a local trade store. She felt it was unrealistic to expect her to provide 'forensic' evidence of what damage was caused to the boiler by Aviva's engineer.

After some discussion Aviva agreed to cover the hotel costs. But as Mrs B has asked for an ombudsman to decide her complaint, it has been passed to me.

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 policy document (or terms and conditions) for Mrs B's policy sets out what Aviva is and is not willing to do in the event of a claim. So my first port of call is what these terms and conditions say. I note they point out that Aviva won't meet the costs of any work carried out by people it hasn't authorised in advance.

'Beyond economical repair' (BER) is defined in the policy as being where the total cost of parts (including VAT) from reputable suppliers exceeds 85% of the manufacturer's retail price, or average current retail price available through leading UK suppliers, for a boiler of the same or similar make and model.

The policy goes on to say that '*...there is no limit to the amount we will pay for a boiler and/or central heating system claim, providing your boiler is not BER.*'

If the boiler was BER (or the parts were deemed to be obsolete) then, providing the claim was made outside the first six months of the policy, Aviva would install a new boiler at its expense. However if the existing boiler was more than 7 years old (which it appears it was in this case), Aviva wouldn't additionally cover the installation costs. In that case Mrs B would've needed to meet these herself; even if Aviva agreed to pay for the boiler.

So this dispute boils down to whether or not Aviva should pay for the cost of Mrs B's new boiler, rather than the installation costs. As the investigator has already explained, I think the difficulty arises in being able to demonstrate, some time after it has been replaced, that Mrs B's boiler would actually have been BER (or that the parts were obsolete). I appreciate that it would've been frustrating to receive three different visits from engineers and require new parts to be ordered each time. I'll cover that in more detail below. But this does demonstrate in my view that parts were available for Mrs B's boiler. It was, however, proving difficult to trace the cause of the fault.

The cost of the new boiler and flue Mrs B had installed was £1,420 including VAT. The parts the engineers noted as being required (including those which were ordered but then cancelled after the third visit) were a hot water diaphragm, a cold water filter, and manifold. Whilst the combined cost of these parts would likely have run into the hundreds of pounds, in my experience I doubt they would have come close to £1,420. And it's possible that the third

repair, had it proceeded, might have repaired the boiler; meaning it wasn't BER. So I can't say Aviva was wrong not to offer to replace the boiler at the third visit.

In my view Mrs B would only have been able to benefit from the cover offered by her policy in full by waiting for the third repair to take place. I appreciate this would've been frustrating in view of her tenants' arrival, but she would potentially have been able to challenge Aviva for further hotel costs as part of any complaint – if she considered it had taken too long to source parts and send the engineers on each occasion. It doesn't appear that Aviva has an arrangement to obtain parts from Mrs B's local trade store. But even if it had, I'm not in a position to confirm that the specific part needed on the Friday was in stock at that time.

I've considered Mrs B's claim for expenses, which amounts to one night's hotel costs. Had there been a quicker turnaround to her claim, the investigator felt Mrs B might have been in a position to replace her boiler sooner (and avoid the extra hotel costs). It does seem some time could've been saved: I'm not aware there is an explanation for a four working day gap between the claim being made and the first engineer attending, although there does seem to be some evidence that Aviva had difficulty reaching Mrs B to arrange the third appointment.

But either way, I don't think it's straightforward to assume Mrs B would simply have chosen to replace her boiler sooner, if there was the potential for Aviva to make another attempt to repair it before her tenants were due to move in. That attempt might have been successful, but we don't know this for sure. Given the doubt about what might have happened, I think it was only fair and reasonable for Aviva to agree to the investigator's recommendation to meet the hotel cost, and I'm pleased to note that it has done so. I also think Aviva made a reasonable offer for the service Mrs B received from its engineers, which I think it's fair to say involved more visits than would ideally have been the case. The total sum of £140 it offered is within the range of awards we would typically make in these circumstances.

my final decision

I uphold Mrs B's complaint, in part. I require Aviva Insurance Limited to pay Mrs B the sum of £140 it originally offered (if it hasn't already done so), plus £65.50 in respect of her tenants' hotel costs.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 24 November 2017.

Gideon Moore
ombudsman