

## **complaint**

Mr H is unhappy following a claim he made on his Gas Boiler Breakdown Cover policy with Aviva Insurance Limited.

## **background**

In late November Mr H noticed he had a leak from his boiler and called Aviva to make a claim on his policy. It arranged for an engineer to attend the property and inspect the boiler. Following the engineer's visit and subsequent report, the boiler was deemed Beyond Economical Repair (BER).

As Mr H's boiler was over 7 years old, his policy provided that Aviva would source, replace and install a new boiler. But Mr H would have to pay the installation costs. The quote for installation was £1,213.05. Mr H didn't think this was a fair price and contacted Aviva to see if they'd be happy for him to arrange another quote through a local qualified engineer. Aviva agreed to this.

The quote Mr H received from his engineer was £606 for installation. Due to the large difference in price, Aviva arranged for another engineer to supply a quote. This came in at £1,273.52. Because of this Aviva said they felt their first price of £1,213.05 was fair and this would be the price Mr H would have to pay.

Unhappy with this Mr H cancelled his policy and complained. Aviva looked into his concerns but said it'd acted within the terms and conditions of his policy.

Mr H brought his complaint to our service. One of our investigators looked into what had happened. He felt Aviva hadn't treated Mr H fairly and thought the complaint should be upheld.

Mr H accepted our investigator's view on his complaint. Aviva didn't. But it did offer to refund him the cost of the boiler it would've supplied which was £397.48 plus VAT.

Mr H didn't accept Aviva's counter-offer so the complaint 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.

Having done so, I'm upholding Mr H's complaint. I'll explain why.

The terms and conditions of the policy state that Aviva will 'source, replace and install a new boiler' but, Mr H will have to pay the installation costs. They then explain that Aviva will provide a quote for the installation work required. But there isn't anywhere in the policy I've seen that says the boiler has to be installed by Aviva's engineers. And I've also noted that the area Mr H lives in isn't covered by Aviva's staff. This means the installation would've had to be subcontracted anyway. So, I don't think it was reasonable for Aviva not to allow Mr H to use his own engineer to install the boiler.

Aviva has said that the policy doesn't allow them to supply a boiler for the customer's own engineer to install. But if that was the case, I don't think Aviva should've allowed Mr H to get

his own quote for installation. It looks to me that the reason it didn't allow him to use his own engineer was because it felt its own quote was fair. Not because it was responsible for arranging for the installation of the boiler.

I've also considered whether Aviva's position would've been prejudiced by allowing Mr H to use his own engineer. Mr H's engineer had the necessary qualifications to act as Aviva's subcontractor to install the new boiler. If it had allowed Mr H to use his own engineer, as I'm saying it should, this wouldn't have prejudiced it. It still would've sourced and supplied a replacement boiler and Mr H would've paid the installation costs.

Aviva has said the quote it provided cannot be compared to the quote Mr H had, as they are not like for like. That's because Mr H's quote includes a free powerflush. I don't think this is relevant. If he could get the power flush for free, I can't see that it would be fair for Aviva to insist on Mr H using its subcontractor to whom he'd have to pay for one.

*What needs to happen to make things right?*

I think Mr H needs to be put back in the situation he would've been, had Aviva allowed him to use his own engineer. Mr H has said the overall cost he paid to his engineer was £1,640.64. But this is for a different boiler than Aviva would've supplied. The quote Mr H sent to Aviva, to replace the same boiler it would've provided, was for £1,596.00. So I think this is the fair figure to use. As the policy meant Mr H would've only had to have paid the installation costs, which were £606 including VAT, I think Aviva should refund him the difference, which is £990. As Mr H made the payment for his boiler on 18 December 2017, he's been out of pocket since then. So I also think Aviva should add 8% simple interest\* a year to this from that date up to the date of payment.

**my final decision**

My final decision is that I uphold this complaint. Aviva Insurance Limited needs to pay Mr H £990. As he paid for his boiler on 18 December 2017 I also think it should add 8% simple interest\* a year to this from that date up to the date of payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask name Mr H to accept or reject my decision before 19 April 2018.

Michael Fisher  
**ombudsman**

\*If Aviva considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mr H how much it's taken off. Aviva should also give Mr H a certificate showing this if he asks for one, so he can re-claim the tax from HM Revenue & Customs if appropriate.