

## The complaint

Mr S has complained about the service he received from Aviva Insurance Limited under his home emergency insurance policy and about the premiums it charged him. This complaint has been brought by Mr and Mrs S but as Mr S is the policyholder, for convenience I'll just refer to him from now on.

## What happened

Mr S has a home emergency policy with Aviva which provides cover in the event of problems with, amongst other things, his gas central heating system, including the boiler. The contract also includes certain non-insurance services such as an annual gas boiler service. The non-insurance services included in the contract are provided by a different company.

Mr S found it hard to arrange the boiler annual service and the appointment was changed at the last minute. The engineer who carried out the service told Mr S his boiler was "*on borrowed time*" and due to its age, if he needed a new boiler, he'd have to pay the installation costs. Aviva later clarified that in that situation, Mr S would have to pay £500 in addition to the policy excess towards the installation costs.

Mr S was disappointed that the engineer didn't investigate an issue regarding water temperature levels. Mr S was told this wasn't part of the annual service.

Mr S is unhappy with the way his service was handled. He's also concerned that Aviva might not replace his boiler if and when it's necessary to do so. Lastly he thought he was being charged too much for the policy.

He referred his complaint to this service. Our Investigator didn't recommend it be upheld. She explained that we can't look into a complaint about the annual service as that isn't part of the contract of insurance and so it isn't a regulated activity. This service can only consider complaints about regulated activities. She thought Aviva had made the terms on which it would replace his boiler sufficiently clear in the policy. She was satisfied Aviva had treated him fairly with regard to the premium he was paying for the policy.

In summary Mr S made the following points in response:

- It's unfair that an important part of his contract isn't a regulated activity.
- It would be helpful to know how much he'd have to contribute in respect of installation costs if he needed a new boiler.
- The commercially sensitive information seen by our Investigator regarding his premium increases should be disclosed to him.
- Other companies were also providing poor and expensive annual boiler services.
- The company which provides the non-insurance services under his contract was making huge profits.
- It was part of our role to identify systemic issues.

As Mr S didn't agree, the matter has been referred to me.

## What I've decided – and why

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

This service operates under rules set out in the Financial Conduct Authority (FCA) handbook. Those rules limit the types of disputes we can consider. In this case the servicing of Mr S's boiler isn't an activity regulated by the FCA. That means, as our Investigator has explained, I'm unable to consider that element of Mr S's complaint. The fact that there are regulated and unregulated activities covered by the same contract doesn't change this.

I can look at what the policy says if Mr S's boiler needs to be replaced. The policy says:

***“Obsolete Parts and Beyond Economical Repair boilers – If when attempting to repair your boiler the parts required are found to be obsolete or your boiler is beyond economical repair, the following terms shall apply.***

***First 6 months – During the first six months of cover your boiler will not be replaced under this policy.***

***After 6 months – After six months of cover (and each year thereafter that you renew the policy), if your boiler is less than 7 years old we will source, replace and install a new boiler. If it is 7 years old or older we will source and replace your boiler through our approved installer and you will be required to pay a contribution of £500 in addition to any excess towards the installation cost...***

I think this is clear and Aviva has separately confirmed in writing to Mr S that he would have to pay £500 and the policy excess towards the installation costs of a new boiler.

If I understand him correctly, Mr S thinks Aviva should make him a fair and reasonable offer to replace his boiler now as the boiler isn't expected to last much longer. But Aviva is only liable under the policy to replace the boiler if a part can't be obtained to repair it or it is beyond economic repair. As the boiler is still functioning, it wouldn't be right for me to require Aviva to offer a settlement for a replacement boiler at this stage.

Mr S is also unhappy with the cost of his policy which has risen steeply in recent years. But insurers are entitled to decide how much to charge for the risks they cover and that will be based on the risk a customer presents. As this is a commercial decision, I don't have the power to tell an insurer what its policy should cost. So I can't say that the cost of Mr S's policy is too high or that he should be charged less. Instead, I can consider whether the premium has been calculated correctly and that Mr S has been treated the same as any other customer with the same circumstances.

I need to be satisfied that Mr S hasn't been singled out in any way and that Aviva has treated all comparable customers fairly and equally. I've carefully reviewed the commercially sensitive information Aviva has sent us and I haven't seen any evidence to suggest it has treated Mr S any differently from how it would have treated any other customer in the same position. So I'm not persuaded Aviva has treated Mr S unfairly.

This service gives an undertaking to businesses not to disclose commercially sensitive information. If we were to give this information to Mr S, businesses might stop providing such information to us in future which would make our role more difficult.

I appreciate Mr S would like me to go further but in this final decision I can only look at how Aviva has treated Mr S. So I can't consider wider issues such as whether a company is making excessive profits.

As an organisation we share information with the FCA such as trends and common problems affecting a number of consumers. Consumers can also raise systemic issues directly with the FCA. As I don't think Aviva has treated Mr S unfairly, I don't think Mr S's complaint gives rise to an issue this service ought to be raising with it.

### **My final decision**

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 March 2024.

Elizabeth Grant  
**Ombudsman**