

## The complaint

Mr S complains about Aviva Insurance Limited's ("Aviva") quote for installation costs for a replacement boiler under his home emergency insurance policy.

## What happened

Mr S's boiler broke down and was declared beyond economical repair. He says Aviva then quoted £3,238 for a replacement boiler and installation, but with a discount of £1,259, he was required to pay £1,979 for installation costs. Mr S says he bought a boiler himself and appointed his own contractor to carry out the installation – and this cost him £1,600. Mr S then complained to Aviva that the policy didn't provide adequate cover as he was left in a position where he couldn't accept Aviva's offer under his policy due to there being a significant difference between their quote and his own contractor's quote. Aviva responded and explained their quote isn't guaranteed to be the cheapest on the market and their pricing structure is a business decision and the quote they offered was fair.

Our investigator looked into things for Mr S. He thought Aviva hadn't treated Mr S unfairly in relation to their quote. Mr S disagreed so the matter has come to me for a decision.

## 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.

Having done so, I've decided not to uphold the complaint. I understand Mr S will be disappointed by this but I'll explain why I have made this decision.

I think it's important to point out the role of this service isn't to set a price for the costs that insurers charge for their services. This is a commercial judgement and for them to decide. But we can look to see whether we agree a consumer has been treated fairly – so is there anything which demonstrates they've been treated differently or less favourably. If we think someone has been treated unfairly, we can set out what we think is right to address this unfairness.

My starting point is Mr S's home emergency policy booklet. This sets out the terms and conditions, and under a section headed 'Obsolete Parts and Beyond Economical Repair boilers' it says, *"If it [boiler] is 7 years old or older we will source and replace your boiler through our approved installer and you will be required to pay the installation cost. A survey will be completed and an individual quotation will be provided"*

The information shows Aviva did, in line with the policy terms and conditions, carry out a survey and produced an installation report, following which they provided an individual quotation to Mr S. Further, and in line with the policy terms and conditions, the boiler was free, but Mr S would be required to pay for installation. The dispute here though relates to the price quoted by Aviva. Mr S says he appointed his own contractor who charged him £1,600 – but this was for a boiler with a longer warranty and also installation costs.

I can see our service has carried out some research into this and compared Aviva's price with other providers. I can see Mr S was asked a series of questions to assist our service in establishing the scope of work required to install the boiler – this ensured the quotes we obtained from other providers would be as realistic as possible. And, using this information we then obtained quotes from a range of providers of differing size – this ensured the information we obtained was fairly representative of the prices across the market. Having carefully reviewed this information, I've then considered whether I think Aviva have acted fairly and reasonably in the circumstances.

To determine whether Aviva have treated Mr S fairly, I've considered the installation quote they gave to replace the boiler and assessed this against quotes from other providers in the market. And, I've found Aviva's quote to be broadly comparable with quotes from other similar providers in the market. So, I can't say Aviva's quote is excessive or unreasonable in comparison to other providers able to carry out the same installation. I do accept Mr S was able to find a quote cheaper than what Aviva had quoted – but this doesn't mean their quote was unfair and I think it's important to keep in mind that Mr S's quote was from a much smaller provider. I acknowledge Mr S says it can't be fair that a policy, which offers a free boiler but requires a customer to pay for installation costs, can provide a quote which is more expensive than a customer getting both a boiler and installation arranged privately. But I think it's fair and reasonable in the circumstances to measure Aviva's quote against a range of providers in the market – and having done that, I can't say Aviva have acted unfairly.

I acknowledge Mr S also has concerns around whether the policy offered any benefit given that he was left in a position where he felt he couldn't claim under his policy in view of the quote for installation. I've already addressed why I don't think Aviva's quote was unfair, but I've also considered the benefits, and the quality of those benefits, provided by Aviva if Mr S had chosen to claim against his policy and instructed Aviva to carry out the installation. In this case, the benefits are also broadly comparable to what's on offer from other providers. For example, if Mr S had chosen to instruct Aviva to replace the boiler, they would've offered a 12-month workmanship warranty and a two-year manufacturer warranty. I acknowledge Mr S says he received a longer warranty through arranging the boiler installation himself, but I don't think this means the benefits provided by Aviva are of little or no value. So, taking this all into account, I can't say Aviva have treated Mr S unfairly.

I acknowledge Mr S believes he hasn't been treated fairly. I fully understand why, on this basis, Mr S has complained, and I hope he feels reassured that our service has investigated Aviva's quote. But I can't say they've made a mistake in their quote or otherwise treated Mr S unfairly. I wish to reassure Mr S I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

### **My final decision**

For the reasons I have given, it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 October 2024.

Paviter Dhaddy  
**Ombudsman**