

## **The complaint**

Mr and Mrs O complain about how Aviva Insurance Limited handled and settled their home insurance claim.

Aviva are the underwriters (insurers) of this policy. Much of this complaint concerns the actions of their appointed agents. As Aviva accept they are accountable for the actions of their agents, any reference in my decision to Aviva should be interpreted as also covering the actions of their appointed agents.

Mrs O has brought this complaint with her husband, Mr O. I'll mainly refer to Mrs O in my decision.

## **What happened**

The background to this complaint is well known to both Mrs O and Aviva and has taken place over a number of years. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mrs O had a home insurance policy with Aviva. In late 2020 she had an escape of water at her property following renovation works that had taken place. Mrs O contacted the company that had carried out the renovation works, but she says they refused to put things right. She then arranged for another company to visit the property and various remedial works took place.

Aviva told her that the replacement pipework cost wouldn't be covered under her policy, but damage resulting from the escape of water might be. Aviva say they didn't hear back from Mrs O and closed the query. Mrs O then got back in touch with Aviva some months later to formally make a claim against her insurance policy for the damage to her property.

Unhappy with how the claim progressed, Mrs O made a number of complaints to Aviva. She complained in May and June 2021 about the time Aviva had taken to look into the claim and the cash settlement offered. Mrs O provided a new scope of works. Aviva issued their response and agreed to review Mrs O scope of works. Mrs O was offered a total of £250 compensation for these complaints. Mrs O first asked us to look into the above complaints in January 2022 and let us know she was awaiting further information.

The next record of contact with our Service was in January 2023. Mrs O let us know about further issues she'd experienced – particularly around the contents part of the claim. She'd received a further final response from Aviva in relation to the service she'd received and her non-receipt of a £4,000 payment. In their final response, Aviva reiterated the earlier offer of £250 and offered an additional £50 in vouchers.

Our Investigator considered Mrs O's complaints and she didn't recommend that they be upheld. She didn't recommend that Aviva needed to do anything further to put things right. As Mrs O didn't accept, the complaint has been referred 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.

The scope of my decision covers the actions of Aviva from November 2020 (when Aviva were first put on notice about a potential claim) until the final response letter referenced above (15 July 2022). It's my understanding that some elements of this claim may have continued after that. Should Mrs O be dissatisfied with any new elements or Aviva's actions since 15 July 2022 – for example an email dated 20 September 2022 regarding damage allegedly caused by a non-Aviva network builder, she'd need to first raise these issues with Aviva as a complaint before our Service can consider them. This is because our Service can't leave a complaint open ended or continually allow the addition of new complaint points - out of fairness to both parties and because it would impede our efficient operation.

This is a complex claim (and complaint) where events have taken place over a protracted period of time. I'd remind both parties in this complaint that our Service's role is that of an alternative, informal dispute resolution service.

This means that although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service. For example, both parties are already aware that these events have been going on for an extensive amount of time – almost three years, and I've only summarised the key points of the background earlier in my decision.

### *The settlement of Mrs O's claim – buildings*

Having carefully considered the relevant key evidence here – Aviva's scope of works and the third party quotes that Mrs O obtained for the outstanding works, on balance, I'm satisfied that Aviva have acted fairly when offering to settle this part of the buildings claim.

As our Investigator has stated already, generally the cost of works to an insurer will be less than the quotes available to consumers (such as Mrs O) on the open market – due to economies of scale and special arrangements between insurers and their network of repair agents.

The quote Mrs O obtained was far in excess (£100,000 more) than Aviva's cash settlement offer, with very little actual detail to support that the scope of works was strictly limited to the damage that occurred as a result of the loss event being claimed for here. So, as things stand – based on the available evidence, I don't find that Aviva acted unfairly when trying to resolve this part of the claim and fairly gave Mrs O the opportunity to challenge their offer with supporting evidence.

### *Contents*

I've then considered the contents claim. Aviva raised, in my opinion, reasonable concerns about why they weren't made fully aware initially of the extent of the contents damage. They argued that Mrs O prejudiced the claim by not suitably storing some of the items following the escape of water and some of the damage may have occurred whilst some of the items were being moved. This, coupled with the delay in notifying Aviva of the damage, meant they didn't have the opportunity to potentially remedy some of the damaged items sooner.

Whilst I don't find Aviva's concerns unreasonable, I've weighed this up against Mrs O's argument that her primary concern (initially) was to have her home returned to a liveable condition. This is perfectly understandable.

However, when I've considered Aviva's report into the damaged contents and their offer to restore some of the items and conduct specialist testing (PAT) on others, I find that they've acted reasonably. Mrs O was unwilling to allow Aviva to attempt to restore some of the items or conduct further testing on others. She said:

*"Furthermore, I will not accept any of your restoration offers nor your PAT testing. All of the flood damaged items are not suitable for including into our furnishings due to be submerged in grey water, the electrical items have been stored outside for over a year, whilst waiting for yourselves to agree works."*

I note what Mrs O has said about how the items were stored, but this meant it was more difficult for Aviva to determine what damage had resulted from the loss event and what had occurred afterwards.

However, I've found some failings in relation to how this part of the claim was dealt with. I think Aviva could've been more proactive at the outset of this claim when enquiring about any damage to contents. Similarly, I can't see that any enquiries were made by Aviva about arranging storage for the damaged contents, for example when Mrs O queried this in an email dated 8 June 2022.

But when I've weighed up the failings against the overall actions of Aviva when responding to this claim, the offer to restore some items or further inspect others as well as waive an overpayment, I find their total offer for this part of the claim to be broadly fair and reasonable.

#### *The payment for £4,000*

A payment was made by Aviva to an account belonging to Mrs O which had closed. they said:

*"Please note that no further monies can be released to any part on the claim until we understand the status of the alleged closed bank account, as this has not been returned to our accounts team which would indicate this may still be active."*

I find Aviva have acted as I'd have expected them to when chasing this up internally and then making Mrs O aware that it hadn't been returned to their account - as can often happen when a payment is auto rejected by the receiving bank.

#### *The alternative accommodation and fuel costs*

As part of their claim verification process, Aviva requested reasonable proof of alternative accommodation and transport costs. This wasn't unusual and I find they treated Mrs O fairly in this regard and when questioning some of the receipts provided.

#### *The overall service provided*

It's clear that this claim didn't progress as smoothly as either party would've liked and has gone on for a long period of time. A certain amount of inconvenience and uncertainty will generally arise when making a claim of this nature and although I've kept in mind Mrs O's personal circumstances, I've not found sufficient supporting evidence to fairly conclude that Aviva need to do anything further here in relation to the service they've provided.

My decision will disappoint Mrs O, but it brings to an end our Service's involvement in trying to informally resolve her dispute with Aviva.

**My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 4 December 2023.

Daniel O'Shea  
**Ombudsman**