

The complaint

S, a company, complains about a claim made on its Aviva Insurance Limited commercial insurance policy.

S says that Aviva failed to deal with its claim within a reasonable period of time.

What happened

S made claim on its commercial insurance policy to Aviva for a damaged shop window. Aviva appointed agents to deal with the claim, but it wasn't progressed, despite S and its broker chasing B for this.

S says that because of the nature of the damage, it had to keep the electric shutter on its premises down, which meant that its premises appeared to be permanently closed. As such S says it lost passing trade and eventually had to close down as a consequence.

Aviva considered S's complaint and upheld it. They said their although their agents considered S's claim and determined it wasn't covered (because the claim fell into a policy exclusion for wear and tear), they failed to communicate this to S. As a result Aviva has offered to pay S £150 in compensation for this and consider a monetary claim for how the damage affected S's business as if it were a claim for business interruption.

Our investigator considered S's complaint and concluded it shouldn't be upheld. She said Aviva had done enough to put things right and that their offer to do so was fair. S doesn't agree so the matter has been passed to me to decide.

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 won't be upholding S's complaint. I'll explain why.

When S' complaint was brought to this Service, Aviva had yet to provide a considered response to its complaint. Upon investigating things further, Aviva agreed its agents hadn't done what they should have and made the outcome of S' claim known to it in good time. So, they agreed that they, on behalf of their agents, had done something wrong. Because Aviva have accepted they did something wrong, I don't need to determine this issue save to say that I agree with the stance they've taken.

S has said it doesn't agree with the investigator's findings- but they haven't said what they don't agree with. Given that Aviva have accepted they did something wrong, I can only conclude that S doesn't agree with Aviva's offer to put things right.

The offer to put things right includes £150 in compensation and for Aviva to consider a claim for business interruption as a result of their agent's failure to communicate the outcome of the claim to S in good time.

At present I don't know what Aviva are prepared to offer S in respect of the claim they've offered to consider. I can't determine the outcome of any complaint in relation to that claim here because that wasn't the complaint S brought to this Service and I don't think the outcome of the claim is yet known. I can only comment on whether I think the solution S has offered is fair here.

It's clear that Aviva didn't act within a reasonable period of time. The damage occurred in October 2021. S say they stopped trading in February 2022. So if the claim was made around the time the damage occurred, the impact of Aviva's delays on S spans over a period of at least four months. On its own I don't think £150 is enough to compensate S for the impact of this delay but taken together with Aviva considering a claim for business interruption from November 2021 to June 2022, I'm satisfied this is a reasonable solution. I say so because the £150 offered adequately compensates S for the inconvenience of having to chase Aviva and complain to complain to them, whilst the offer of considering the claim takes into account the effect on S as a business of Aviva not communicating the outcome of its claim sooner.

I can't say what the outcome of Aviva's consideration of a claim for business interruption will be. And I don't know whether S has supplied Aviva with all of the items Aviva needs to do this. S should note that if it wants this claim considered it should provide Aviva with all of the evidence requested to enable them to do this. And if S wants to accept Aviva's offer of £150 in addition to this, it should contact them directly to let them know, if it hasn't already done so.

My final decision

For the reasons set out above, I don't uphold S' complaint against Aviva Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 29 September 2023.

Lale Hussein-Venn
Ombudsman