

The complaint

A company, which I'll refer to as K, complains that Aviva Insurance Limited (Aviva) hasn't offered a fair settlement following a claim under its Property Owners Policy.

Mr P, a director of K, brings the complaint on K's behalf. For ease of reading, I'll refer to all comments and actions of K and Mr P's representative, as being those of Mr P.

Any reference to Aviva, includes its agents.

What happened

Mr P took out a Property Owners Policy. On 18 February 2022, Mr P contacted Aviva to make a claim for storm damage. Aviva said it would arrange for a surveyor to assess the damage. Aviva's appointed surveyor attended on 27 February 2022.

Mr P said he was led to believe by the surveyor that repairs could take months if he opted for Aviva's approved repairer to carry out the repair. Mr P therefore arranged his own quote with a local tradesman to prevent further damage and had the roof repaired. Mr P was unhappy with the cash settlement offered by Aviva in settlement of the repairs and so raised a complaint.

In Aviva's response to Mr P's complaint about the cash settlement offer, Aviva said it would appoint an approved contractor to carry out the repairs. But in the event the repairs had already been carried out, it offered to appoint a loss adjuster to carry out a dispute resolution report (I'll refer to this as DRR) for a second opinion on the costs involved. Aviva also pointed out that the policy doesn't cover any betterment to the roof.

As the repairs had been completed, Aviva instructed a loss adjuster for a DRR. The loss adjuster agreed that the settlement offer from Aviva was fair.

Mr P complained. He said Aviva should settle the claim for the amount he paid for the work. He said the roof repair was urgent and that it was therefore reasonable that Mr P carried out the repairs without prior authorisation from Aviva. He said Aviva should cover the full cost of repairs.

As Aviva didn't agree, the complaint was referred to our service. Our investigator looked at what happened, he didn't uphold the complaint. In summary, he concluded that Aviva's settlement offer was fair.

Mr P didn't agree, so the complaint was 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.

Having done so, I'm not upholding this complaint. I'll explain why.

I should start by explaining that I'm not an expert in surveying repairs or the associated costs and so I rely on the expert evidence provided by both parties to decide if it's fair.

It doesn't seem to be in dispute that there was a valid claim for storm damage. The issue was whether it was reasonable for Mr P to arrange the work himself and whether Aviva should settle the claim at the cost to itself or to Mr P.

So, I've thought about Mr P arranging the work himself. Mr P said the work was urgent due to the extent of the damage and further water ingress. He said Aviva's surveyor said it could take months to arrange an approved repairer. On the night following the surveyor's visit, there was further rainfall resulting in more water ingress and damage to personal items. Mr P said he contacted Aviva to let them know. Aviva said it couldn't make any further assessments as it was still waiting for the surveyor's report.

Mr P said there was no indication of when Aviva could arrange for its approved repairer to carry out the work, he contacted a local tradesman for a quote. When he tried to obtain a quote, he could only find one company to provide a quote as it was a busy period. When the loss adjuster visited to complete the DRR, Mr P told him that his repairer attended around 2/3 March 2022 to erect the scaffolding. But repairs couldn't commence straight away so a tarpaulin was put over the roof in the first instance to prevent any further damage. When repairs did commence, they were completed within a week.

I understand that the uncertainty of not knowing what's happening with the claim would have been very worrying for Mr P but when an insurer is dealing with a claim, I think some time lag is expected, as we've seen here, and I think that's reasonable.

It's not in dispute that Mr P went ahead with the repairs without Aviva's consent. And, although he said the repairs were urgent, they didn't commence right away in any event. Mr P said temporary measures were put in place by his repairer to prevent further damage. I've not been provided with any evidence to show that Mr P attempted to contact Aviva about his quote at any point before or after receiving a quote from his repairer to get authorisation for repairs. I also haven't seen any evidence to suggest Aviva led Mr P to believe he could get the repairs done and it would reimburse him for the costs.

It's hard to say now what would have happened if Mr P had contacted Aviva to discuss arranging his own repairs. I think it's fair to say Aviva would have had the opportunity to review the quote and provide consent, or to discuss the option of having temporary repairs completed while waiting for its surveyor and about any risks with him getting the work done, such as issues with it being able to validate the claim on the basis on which it would normally pay any costs. From the evidence I have reviewed, I'm satisfied that Aviva wasn't given this opportunity as Mr P hadn't informed Aviva he was repairing the damage.

So, I've also thought about what Aviva should pay as a cash settlement. Aviva has said the cash settlement should be at the cost to itself. Mr P wants it paid at the amount the work cost him. I have reviewed the costs of the repairs provided by both parties. The difference between both quotes is over £7,000 which is a significant difference. Mr P has suggested the increased cost was due to the urgency of the repairs.

Given I've already said I think Aviva's position was prejudiced as a result of Mr P going ahead with the repairs without telling Aviva, it wasn't able to explain any of the issues around Mr P proceeding with the work, including how it was likely to consider any costs. In the circumstances, I think Aviva has acted fairly by offering to pay the cost it would have incurred in carrying out the repairs.

Both parties have provided a quote for repairs with a breakdown of cost. Aviva's quote has

also been reviewed by a loss adjuster for a second opinion when carrying out the DRR. The conclusion reached was that the settlement offered by Aviva was fair.

I've considered whether the offer made by Aviva is fair. I've looked at what was discussed about the roofing work. Aviva told Mr P there had been some betterment to the roof. Mr P seemed to agree with this. He also accepted that the new dry ridge being installed was not an insured aspect of the work. Aviva didn't need to pay for betterment or for the dry ridge installed, as part of the claim.

The roofing work was made up of two elements. The scaffolding and the roof work itself. The loss adjuster that completed the DRR raised concerns over the extent of the work completed. The surveyor said he didn't think such extensive repairs were required for the damage claimed. In particular, he questioned whether the led flashing around the edges of the roof was needed. Furthermore, he said that Mr P's invoice for repair didn't specify the amount of roof and hip tiles to be renewed. I've considered the evidence provided by both parties, including the damage to the roof and the location and I haven't currently seen anything that persuades me the extent of the repairs were reasonable.

If Mr P has further evidence from his repairer to demonstrate that more work than that authorised by Aviva was required as a result of the storm damage, he can provide this to Aviva for further review.

I appreciate this will come as a disappointment to Mr P, but for the reasons I have explained, I'm persuaded that Aviva's offer to settle the claim for £10,031.20 (minus the £250 policy excess) is fair and reasonable.

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 K to accept or reject my decision before 30 October 2023.

Ankita Patel
Ombudsman