

## **The complaint**

Mrs M complains about Aviva Insurance Limited ("AIL") and their refusal to reimburse the cost of her furniture damaged by a fire at her property. Mrs M also complains about the service AIL provided during the claim process.

Mrs M has been represented by her two daughters during the claim and complaint process. For ease of reference, where appropriate, I will refer to the actions taken by both daughters as though they were taken by "Mrs M" as she was the policyholder on this occasion.

## **What happened**

The circumstances of the claim, and the timeline of events, are well known to all parties. So, I don't intend to list them chronologically in detail. But in summary, Mrs M held a home insurance policy underwritten by AIL when her home was damaged by a fire. So, she contacted AIL to raise a claim on this policy. When raising this claim, Mrs M appointed a loss assessor, who I'll refer to as "B", to manage the claim on her behalf.

AIL accepted the claim, and alternative accommodation was arranged for Mrs M, although there were some difficulties in agreeing what both parties felt was suitable. And B submitted a content list of the damaged items Mrs M was claiming for, which included certain items of furniture. But after investigating this further, AIL felt the claim for this furniture had been exaggerated and so, they relied on an exclusion in their policy to decline this aspect of the claim. But as they didn't think Mrs M herself was aware of this exaggeration, they paid the rest of the list as a cash settlement and didn't record any fraud markers. Mrs M's daughters were unhappy about this, so a complaint was raised on Mrs M's behalf.

This complaint included, and is not limited to, their unhappiness with AIL's decision not to pay for the furniture, and their belief AIL failed to act pragmatically, considering Mrs M's vulnerabilities. They were also unhappy with the reasoning for the decline, and what they felt was blame attributed to Mrs M's daughter, "Ms L". So, they wanted AIL to overturn their decision and pay the correct value identified for the furniture. They also complained about the level of service AIL provided to them, which included difficulties faced when arranging and extending the alternative accommodation, and AIL's failure to respond to the complaint in a timely manner.

AIL responded to the complaint and didn't uphold it. They thought the level of service they provided was fair. And that their decision to decline part of the claim on the basis it had been exaggerated was reasonable, considering the claim circumstances and the information they were given. But they were empathetic to Mrs M's situation and the claim circumstances. So, they offered to send flowers as a gesture of goodwill. Mrs M remained unhappy with this response and so, her daughter referred her complaint to us.

Our investigator looked into the complaint and didn't uphold it. They explained as Mrs M was the policyholder, we were only able to consider the impact on her. So, while they accepted Ms L was unhappy with being alleged to have acted fraudulently, the upset this caused wasn't something we would be considering. And our investigator felt AIL had acted fairly regarding the decline of the furniture costs anyway. But they did think there had been some

worry caused to Mrs M regarding the extension of the alternative accommodation she was in and so, they recommended AIL pay Mrs M £150 to recognise this.

AIL accepted this recommendation. And Mrs M, through her daughters, accepted this payment for the alternative accommodation aspect of the complaint. But it was maintained that AIL's decision to decline the claim for the furniture was unfair and unpragmatic. And Mrs M's daughter provided several comments explaining why they thought this to be the case, and why she felt Ms L should be absolved on blame and an apology offered. As Mrs M didn't agree, the complaint has been passed 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'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I think it's important for me to set out clearly what I've been able to consider, and how. I note Mrs M has been represented throughout the claims and complaint process by both her daughters, and B. And I recognise that during these processes, Mrs M's representatives may feel as though they've been inconvenienced, or negatively impacted. But crucially, I'm only able to consider, and compensate for, the impact to Mrs M directly, as she is the policyholder and so, customer of AIL. Because of this, while I do appreciate Mrs M's representatives may want AIL to take actions that resolve their own situations and upset, this isn't something I'm able to direct.

I'm also unable to consider Mrs M's complaint regarding AIL's handling of her complaint, as complaint handling is an unregulated activity as determined by the rules set by the industry regulator, the Financial Conduct Authority ("FCA"). So, while I appreciate how delays during the complaint process may have impacted Mrs M, this isn't something I can think about or compensate her for.

I also want to make it clear that, as Mrs M appointed to B to act as the claim's loss assessor on her behalf, and B arranged the contractors who completed the repair work to her home, any issues relating to delays caused by these contractors are ultimately the responsibility of B, and not AIL. So, I won't be considering any of these issues as part of my decision.

So, what I have considered is the service AIL provided to Mrs M directly, through her representatives, and whether this service and the actions they took were reasonable.

I note our investigator identified a short delay relating to the extension of Mrs M's alternative accommodation, where they felt AIL could've done more. And, that their failure likely inconvenienced and upset Mrs M. As both AIL and Mrs M, through her representatives, accepted this finding surrounding the entirety of the alternative accommodation issues, I won't be commenting on the merits of this any further as I think it's reasonable for me to assume it's no longer in dispute. I will discuss what I think AIL should do to put things right later within the decision.

So, I've focused on the main point that remains in dispute. And this centres around AIL's decision not to pay Mrs M for certain items of furniture she originally claimed for, as they felt the initial claim put to them for these items was fraudulent, false or exaggerated.

Having reviewed all the evidence available to me, I don't think it's in dispute by either party that the costs for this furniture included in the original content list put forward by B were higher than they should've been. And, that these costs were based on the costs of furniture made by an entirely separate manufacturer to the ones the damaged items were made by.

Whenever an insurer receives a claim, they are entitled to take reasonable steps to validate it. And this includes ensuring any costs claimed for are reasonable and in no way false or exaggerated. I can see that upon receipt of the original content list, AIL had concerns about the items in question. And I've seen emails where they returned to B to query these costs, giving plausible reasoning as to why they were doing so.

And following this questioning, I can see B returned to AIL, maintaining that the costs claimed for were correct. And B stated that any content list is sent to the policy holder, or their representatives, to confirm they are happy with the list before it is submitted to the insurers.

AIL proceeded to consider this information, as well as inspecting the furniture themselves as it was being held in storage. And having done so, they noted the furniture was of significantly less value than what was being claimed for. So, they decided to refuse payment for these items, referring to the policy terms and conditions which state under the heading "*fraud*" that "*if your claim is dishonest or exaggerated, we will not pay you for anything under this policy or return any money you have paid. We may also cancel your policy immediately*".

As the claim submitted by B, on Mrs M's behalf and agreed to by Ms L, is accepted to have been wrong initially, and when considering B continued to assert the claim was correct after being questioned directly by AIL about this, I don't think I'm able to say AIL acted unfairly when relying on the exclusion above, as I can understand why they deemed the claim to be exaggerated. So, I don't think I can say this decision should be overturned or revoked.

I understand Mrs M, and her daughters, are unlikely to agree with this. And I want to reassure them I have considered their comments about Mrs M's vulnerabilities, and what they feel should be a pragmatic approach.

But I do think AIL have been pragmatic here. As you can see, the term above allowed AIL to decline the entirety of Mrs M's claim. But AIL fairly took into consideration the fact Mrs M was being represented due to her vulnerabilities and decided to continue to pay the rest of the claim accepting she wasn't directly aware of the exaggerated claim herself. I think this is more than fair, as this isn't something AIL were required to do.

And while I appreciate there may be some dispute between B and Ms L about who was responsible for the exaggeration, and Ms L is unhappy that AIL made her feel as though she was to blame, ultimately both parties were acting on Mrs M's behalf. So, whoever was at fault for the exaggeration, the fact remains that furniture of a different manufacturer, at a significantly increased cost, was claimed for and continued to be claimed for, after AIL queried it. So, I don't think I can say AIL have done anything wrong, or unfairly, when taking the actions they have.

I note Ms L may disagree, and I appreciate why she's upset and receiving what she feels like is the blame for the situation. But AIL have confirmed no fraud markers have been reported against Mrs M, or anyone else. So, I can't see that Ms L has been negatively impacted by AIL's decision moving forward in terms of obtaining future insurance. And even if she had, Ms L is not AIL's customer here, it is Mrs M. So, I am, and would be, unable to direct AIL to take any action for Ms L or pay her any compensatory amount.

I've then turned to what I think AIL should do to put things right for the service failures they

are responsible for.

### **Putting things right**

As I explained earlier, I do think there was a slight delay in arranging the extension of Mrs M's alternative accommodation. So, I do think Mrs M should be compensated for the worry she would've no doubt felt when it appeared uncertain whether she would remain in the accommodation she'd be in for a significant length of time.

Ultimately, her accommodation was extended. So, I don't think Mrs M was inconvenienced. But I do think it would've been a worrying and frustrating time for Mrs M. Our investigator recommended AIL pay Mrs M £150 to recognise this, and I think this recommendation is a fair one, that falls in line with our services approach and what I would've awarded had it not already been made.

I think it fairly addresses the emotional impact to Mrs M, while also taking into consideration the fact the delay was relatively short overall, and that the accommodation was extended as she wanted it to be. So, this is a payment I am directing AIL to make.

I recognise Mrs M's representatives have made comments about the way AIL handled the alternative accommodation overall, and how they should take feedback from the claim and alter their procedures accordingly. But it's not our service's remit to comment on, or direct businesses to change, their internal procedures and policies. This would fall under the remit of the FCA. So, should Mrs M's representatives wish to escalate this feedback, they would need to contact the FCA directly.

### **My final decision**

For the reasons outlined above, I uphold Mrs M's complaint about Aviva Insurance Limited and I direct them to take the following action:

- Pay Mrs M £150 to recognise the impact the caused by the delay in extending the alternative accommodation she was in.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 2 January 2024.

Josh Haskey  
**Ombudsman**