

The complaint

Mr B complains about Aviva Insurance Limited's handling of claims he made under his home insurance policy.

What happened

In 2007, Mr B made a claim under his home insurance policy with Aviva after his property was damaged by his neighbour. In 2010, he made another claim after an escape of water caused further damage. The second claim was initially declined by Aviva.

Mr B brought a complaint to our service about Aviva's handling of both claims, which was assessed in 2012. Our adjudicator recommended that Aviva reconsider the escape of water claim and carry out an urgent review of the malicious damage claim. He also recommended that Aviva review its handling of the claim once it was resolved and consider compensation for distress and inconvenience as well as expenses. Both parties accepted the adjudicator's outcome.

In early 2023, Mr B told us that both of his claims were still ongoing. He said there had been long drawn delays in trying to get a party wall award due to issues with his neighbour, but this had been resolved. He said Aviva had lost his file and weren't prepared to pay for losses that had previously been agreed. His solicitor had sent it a copy of his file, but Aviva was not responding.

Mr B told us Aviva had appointed a loss adjuster and had agreed on a figure for remedial works, but it had placed obstacles not to pay out. It had refused any further compensation for loss of rent, utility bills etc that had previously been agreed. Mr B said the escape of water claim had mainly been concluded with all costs paid. However, it was now refusing to pay any compensation as previously agreed.

Aviva issued a response to Mr B's complaint in March 2023. It said it had reviewed Mr B's claims and noted that a payment had been agreed for flooring in August 2013, however it wasn't issued at the time. The settlement was issued in July 2022. Aviva said it would like to offer Mr B a financial loss payment of £8,394.95 for this failing.

Aviva said that due to the legal dispute with Mr B's neighbour, the claims could not move forward. It believed Mr B would have been in the same position until he'd contacted Aviva for assistance in 2022. It agreed that the claim should have been reassigned when a member of its staff had retired but it said it hadn't received direct contact from Mr B for over seven years. It offered Mr B a total of £1,250 for delays and customer service issues.

Our investigator was satisfied the loss of rent payments Aviva had made exceeded the amount he was entitled to under the policy. She said she hadn't seen anything to suggest he was previously offered anything further for loss of rent. She was also satisfied that most of the delay during the claim was due to the party wall issues. She thought Aviva's offer of compensation fairly recognised the impact of any issues it was responsible for.

Our investigator said Mr B would first need to raise his concerns about his legal expenses with Aviva before our service could consider them.

Mr B disagreed with our investigator's outcome. He agreed that the Party Wall Award had taken a considerable time to get resolved due to the uncooperative neighbour and surveyors acting on the neighbour's behalf. He said Covid had also paid a big part in the delays which was also out of his control. But he said he would like an ombudsman to further investigate his complaint because he was being penalised for the poor service and lack of documentation left by Aviva's former employee. So, the complaint 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've decided not to uphold Mr B's complaint. I'll explain why.

To be clear, I haven't considered Mr B's concerns about legal expenses as this matter is outside of the scope of this complaint.

I understand that the escape of water claim has been settled and Mr B has accepted an offer from Aviva in full and final settlement for the malicious damage claim. So, all that remains for me to consider are the concerns Mr B has raised about the service he's received from Aviva and delays in the progression of his claims.

Aviva has acknowledged that it delayed issuing a payment for flooring in August 2013 by almost nine years. It offered to pay Mr B interest totalling £8,394.95 to compensate him for this and I can see it was paid to him in August 2023. I think this is reasonable.

Aviva has also paid Mr B a total of £1,250 for distress and inconvenience. I understand that part of this was for its initial decision to decline his claim in 2010. The remainder was to compensate him for delays and poor communication.

Aviva has acknowledged that Mr B's case should have been reallocated when his previous case handler retired in late 2015. However, I don't think the lack of contact from Aviva over a period of around six years is likely to have had much of an impact on Mr B as he doesn't appear to have contacted Aviva for updates.

In his correspondence with Aviva, Mr B suggested he should be paid around £15,000 compensation. He said he would have expected at least £1,000 a year in compensation on top of any financial loss since the escape of water event in 2010.

Most of the delay in progressing Mr B's claims appears to be due to a dispute with his next door neighbour who wouldn't allow access for repairs to be carried out. The claims couldn't move forward until the dispute had been resolved. I can see that Mr B contacted Aviva in February 2022 to let it know that the Party Wall Award had been issued in late 2021.

Aviva appointed loss adjusters in around March / April 2022 who completed a schedule of works. Mr B was offered a cash settlement for the reinstatement works in December 2022. The settlement offer didn't include VAT, but Aviva said it would be willing to consider payment of this once it had seen evidence that VAT had been incurred.

From what I can see, Aviva wasn't willing to release the payment until Mr B signed a settlement and release agreement. Mr B was reluctant to sign it because the agreement didn't address legal expenses, loss of rent, utilities or other compensation. Aviva issued an

amended agreement in November 2023 which excluded Mr B's request for reimbursement of legal expenses, to allow him to pursue a claim for these if he wished to do so.

I appreciate Mr B's claims were ongoing for a number of years and this was no doubt distressing for him. However, it wouldn't be fair for me to tell Aviva to compensate him for delays it isn't responsible for. And I don't think Aviva was in a position to progress Mr B's claims prior to the Party Wall Award being issued in late 2021.

I know my answer will be disappointing for Mr B. But I think the compensation Aviva has paid him sufficiently recognises the impact of its poor communication and the delays it's responsible for. So, I'm not persuaded to increase this.

My final decision

For the reasons I've explained, I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 1 February 2024.

Anne Muscroft
Ombudsman