

The complaint

Mr and Mrs W complain about Aviva Insurance Limited's (Aviva) settlement and poor service of their claim under their home insurance policy.

What happened

Mr and Mrs W shower door was shattered, and they contacted Aviva to make a claim. The claim was accepted, and photos of the damaged door was sent to Aviva. Aviva carried out an assessment of the damage and ultimately offered £596.82, by way of a cash settlement, subject to the policy excess of £150.

Mr and Mrs W said that they were unable to locate someone to carry out the repairs. They wanted Aviva to send out an assessor to assess the damage and a contractor to repair the door. They felt that the cash settlement offered was too low.

They also said that Aviva had handled their claim poorly, as they constantly had to chase to progress the claim. Further, they had been sent a letter that stated that their claim would be closed, due to lack of contact from them, when the claim had only been open a short period of time. And Aviva had only one unsuccessful contact with them.

Aviva said that it was unable to locate a tradesman and offered the cash settlement based on the policy terms, that is, what it would've cost them to carry out the repair. Aviva accepted that there were some poor service issues and offered and paid £50 compensation for the trouble and upset this caused. Aviva also said that if the cash settlement wasn't enough, it would review any further costs that Mr and Mrs W had incurred.

As Mr and Mrs W remained unhappy, they raised a complaint. In its final response, Aviva maintained its position that it had fairly dealt with Mr and Mrs W's claim, in line with the policy terms. And as Mr and Mrs W were given their referral rights, they referred a complaint to our service.

One of our investigators considered the complaint and thought it shouldn't be upheld. He said that the policy terms meant that Aviva's obligation was to offer a cash settlement. There was no obligation to offer a repair. Further, that the cash settlement would be limited to the amount it would've cost Aviva. He also said that the compensation offered was broadly in line with our service's guidelines. So, there was nothing further he could reasonably ask Aviva to do.

Aviva accepted the view, Mr and Mrs W did not. They asked for a decision from an ombudsman, without putting forward any further points.

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 uphold this complaint, for much the same reasons as our investigator. I understand that this might be a disappointment to Mr and Mrs W, but I hope my findings go some way in explaining why I've reached this decision.

I've considered both parties comments, terms and conditions of the policy and the evidence both parties have provided. I think the main issue of this complaint is whether Aviva were fair to settle the claim on the basis of the policy terms and conditions.

I've reviewed the policy terms and conditions to see what both parties' obligations were, as this was the agreement that both parties contracted.

Under the policy, following a claim, it was Mr and Mrs W's obligation to prove the loss/damage. They did so with the provision of photos, which Aviva accepted as proof that the damage was caused to the shower door.

Aviva's obligations, after an acceptance of a claim, were as follows:

'Settling claim (except liability)

We can choose to settle your claim by repairing, giving you an equivalent replacement (for mobile phones this includes providing a refurbished model) or making a payment. Where we provide you with a refurbished mobile phone our aim will be to let you keep your existing number but if, for reasons beyond our control, you can't then your replacement phone will be connected to a new number. If we are able to repair or replace your property but agree to settle using cash or a voucher, we will only pay for what it would have cost us to repair or replace it.'

From this, Aviva is obligated to offer a cash settlement. There is no obligation to also offer a repair. Aviva said that it attempted to locate a suitable tradesman but was unable to do so. And it offered the cash settlement on the basis of what it would've cost it, to carry out the repair. But it also recognised that in settling the claim, it was only able to offer one solution, namely a cash settlement. And because of this, it said if the cash settlement wasn't enough, then Mr and Mrs W ought to return, and it would review any further costs that they had incurred.

Mr and Mrs W have yet to obtain quotes to repair the door, but at this stage, I don't think Aviva has been unreasonable in its cash settlement offer. Nor do I think it has been unfair to offer to further review the costs that Mr and Mrs W might incur when they repair the shower door.

I've next considered the compensation Aviva paid for the poor service. I'm pleased that Aviva recognised that there were some poor service issues. I note that it offered and paid £50 compensation for the trouble and upset this caused. Having reviewed our services guidelines on compensation awards, I'm satisfied that Aviva's offer of compensation, is in line with what we would expect. So, I won't be asking Aviva to increase this further.

I acknowledge Mr and Mrs W's strength of feeling about this complaint. But, in the overall circumstances, I haven't seen enough evidence to show that Aviva acted unfairly. I'm therefore not going to tell it to do anything further here.

My final decision

For the reasons given, 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 W and Mr W to accept or reject my decision before 8 January 2024.

Ayisha Savage
Ombudsman