

The complaint

Mr and Mrs P complain about Aviva Insurance Limited's proposed settlement for their contents insurance claim.

Mr and Mrs P are being represented in their complaint by A, who I have referred to where relevant below.

All references to Aviva also include its appointed agents.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

My initial thoughts

I wrote to both parties on 21 November 2023 to provide some initial thoughts regarding this complaint. Which I've included below.

"The Policy says it will provide a replacement based on the nearest equivalent available in the current market. It also says where Aviva chooses to cash settle, it will only pay what it would cost it to repair or replace it.

In some cases, Aviva have made offers based on its own cost to replace internally. Which the policy allows it to do. However, in other cases, it has made an offer to Mr and Mrs P based on items it has sourced online, which it says are comparable and equivalent items.

I can see Aviva and A disagree regarding the valuation of a number of items referenced in the spreadsheet. Mr and Mrs P have provided photos of several of the items claimed for and A has supported this with their own costings, research, and links for the items online. I want to assure all parties I've considered these carefully.

A has referred to the policy replacing items 'as new'. The section referred to is under the 'sum insured' section of the policy and is designed to explain the impact of not accurately representing items insured and what actions Aviva might take in providing settlement due to this.

In this case there are no concerns regarding the sum insured. The most relevant policy term, in respect to the concerns raised, is the section directly below this that explains how Aviva settles a claim. Which is where it chooses to provide a cash settlement, it will do so at the cost to it. In instances where it is not possible for an insurer to directly quote for a replacement item, such as in circumstances where it is no longer available as new, our service would normally expect it to be able to provide an offer on an equivalent basis.

My initial thoughts

I've not seen anything to persuade me the items Aviva has sourced online and are proposing as replacements, are not new items. eBay has been referenced in some cases; however,

eBay does sell new items so I don't think it should be ruled out as a retailer through which to source items.

The key question is whether I'm satisfied that where items can't be directly replaced, the items quoted for are suitable equivalents - in particular, where there is a significant difference in the costing quoted for the key items in dispute. A has highlighted these as camping equipment, industrial grade racking and military grade hoists.

The policy says a consumer may be asked to prove any loss through items such as receipts, valuations, photographs, or Instruction booklets. As I've set out above, Mr and Mrs P have been able to provide photos of a number of the items, and I've considered these along with the other information A has provided.

Ex-Military 3 Ton Winch

I can see Aviva have referenced eBay in coming to a price. But has also provided details of another website that contains a selection of winches. From reviewing the photo of the winch, the website listed by Aviva and some basic searches online of winches which appear to have similar specifications to the one proposed by A, I'm persuaded Aviva's proposed settlement is an equivalent based on the evidence available.

Six-person Tent

A said Aviva's offer does not reflect the type of longevity of the tent Mr and Mrs P had previously – and has provided a reference to prices on a camping website. Having reviewed the links provided and photos of the tent provided by Mr and Mrs P, I'm not persuaded this suitably identifies the tent's specification. And from looking at the link provided by Aviva, and from prices online, I think its offer provides a suitable equivalent replacement based on the information available.

Industrial Racking

I've reviewed the link Aviva has based its offer on for this product.

Mr and Mrs P have been able to provide clear photographs to show the manufacturer of the racking and detail of its quantity and dimensions. From reviewing this online I can see this is industrial grade racking, that appears to be of a higher specification to that in the link Aviva has based its offer on. So, I'm not persuaded this is an equivalent replacement.

From research I can see racking from this manufacturer is available to source in the UK, as such Aviva should revisit this item and increase the offer it has made."

Responses to my initial thoughts

Aviva responded to say It wasn't previously in receipt of photos of the manufacturer of the racking. But on review accepted my initial thoughts.

In summary, A responded with the following points:

- *Regarding the winch, A said the items quoted by Aviva were hoists, which are different items to winches. They also pointed out this was stored in a flight box which Aviva are not agreeing to.*
- *A confirmed it had no further information to provide regarding the six-person tent.*
- *A confirmed it agreed with my initial thoughts regarding the industrial racking.*
- *A said there were a number of items being disputed. And although they understood I would not be reviewing each of these individually, they wanted to point out other key*

items of dispute for my consideration. A has pointed to two metal detectors and Beekeeping equipment in which the settlement offered is in dispute.

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.

I've considered everything on file again. Having done so I don't see any reason to depart from my initial thoughts but have offered further explanation in response to the further comments from all parties below.

A is correct in that the purpose of my investigation isn't to validate and cost every item that is subject to the claim. It is to decide if Aviva have treated Mr P and Mrs P fairly, and in line with the terms and conditions of the policy. However, I have considered the additional points and items A has specifically mentioned.

Ex-Military 3 Ton Winch

There can be a difference in the interpretation between a winch and a hoist - namely that a hoist is often an item that lifts, and a winch being one that pulls. With this in mind, I looked again at the website link Aviva have provided. It shows 'pulling hoist winches' with a similar specification to the winch provided by A. So, I'm not persuaded by what A has said here and I think what Aviva has offered is fair.

Aviva have previously clarified it is willing to offer a settlement for the flight box – and I think this is broadly in line with what appears to be comparable items online and the cost set out by A. So, I think Aviva's offer here is fair.

Beekeeping Equipment

I can see Mr and Mrs P provided Aviva with links to the hive set and excluder around October 2022. They said this matched the products that had been damaged. These links no longer work, but the products are still available on the website Mr and Mrs P have provided.

The costs of these products are broadly in the region of what has been quoted by Aviva – so I think it's fair these costs are used to settle for these items.

Aviva have previously clarified it is willing to offer a settlement for the Beekeeping Suit – and I think this is broadly in line with what appears to be comparable items online and the cost set out by A. So, I think Aviva's offer here is fair

Metal Detectors

Having reviewed the links provided and photos of the first metal detector provided by Mr and Mrs P, I'm not persuaded this suitably identifies its specification – or that the one put forward by A is a more suitable equivalent to what Aviva has suggested.

From looking at the link provided by Aviva, and from prices online, I think its offer provides a suitable equivalent replacement based on the information available.

The second metal detector is subject of an offer for Aviva to source internally. I have no evidence that persuades me this offer is unfair. So, I won't be directing Aviva to change it.

So for these reasons, I uphold this complaint.

Putting things right

To put things right Aviva should revisit the claim and revise its settlement offer based on what I've set out above.

My final decision

My final decision is that I uphold Mr and Mrs P's complaint.

To put things right I direct Aviva Insurance Limited to do as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 5 January 2024.

Michael Baronti
Ombudsman