

## **The complaint**

Mr A and Mrs H complain, in their capacity as trustees of a trust (M), that Aviva Insurance Limited unfairly declined a property insurance claim for alternative accommodation (AA) costs.

## **What happened**

M is a trust. It provides a house for its beneficiary, 'S', to live in. The trustees are responsible for arranging insurance the property. They took out an Aviva property owner's policy in their capacity as trustees. In 2022 there was a fire at the property. Aviva accepted the claim for damage. Due to its condition S couldn't live in the property until it was repaired. The trustees claimed, against the policy, for AA. Aviva declined that part of the claim. S arranged and paid for her AA.

The trustees complained about Aviva's decision. In response it said the policy, due to the circumstances of S' occupation of the property, doesn't provide cover for loss of rent or AA. It offered an ex-gratia payment of £1,000.

The trustees weren't satisfied so came to the Financial Ombudsman Service. Our Investigator felt the claim for AA should be covered. He said Aviva should reimburse the costs. The trustees accepted that outcome. As Aviva didn't the complaint was referred to me.

I issued a provisional decision. As its reasoning forms part of this final decision I've copied it in below. In it I explained why I didn't intend to make a finding on Aviva's response to the AA claim. I also invited the trustees and Aviva to provide any further comments or evidence for me to consider before issuing this final decision.

### ***what I've provisionally 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 intend to come to a different outcome to the Investigator.*

*This service was set up by legislation – the Financial Services and Market Act 2000 (FSMA). We also operate under rules (DISP) put in place by Financial Conduct Authority (FCA).*

*S229 of FSMA sets out the 'awards' this service can make. It says if a complaint is determined in favour of the complainant the determination may include fair compensation for loss or damage suffered by the complainant. It also allows for the service to direct the respondent to take steps in relation to the complainant.*

*The complainant here is the trustees on behalf of the trust - M. They are the policyholders in their capacity as trustees. M hasn't incurred the cost of the AA. It hasn't experienced any loss or damage because of Aviva's decline of the AA claim. The rent has been paid by S. So any loss resulting from Aviva's actions is hers. As*

*she isn't a complainant I couldn't, even if I agreed Aviva had acted unfairly, require it to pay her compensation for her loss. For this reason I don't intend to make a finding on Aviva's response to the AA claim.*

*I realise this will be frustrating for the trustees and S. But we are limited by, and required to act within, our rules.*

### **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.

Aviva didn't provide any comments or evidence for me to consider.

The trustees were disappointed with my provisional decision. I acknowledge their frustration. However, I'm unable to come to a different position, regarding awarding compensation for losses, to that set out in my provisional decision. As said already I'm limited by, and required to act in line with, the rules set by Parliament and the FCA.

So for the reason set out in my provisional decision, I'm not making a finding on Aviva's response to the AA claim.

### **My final decision**

For the reasons given above, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 25 April 2024.

Daniel Martin  
**Ombudsman**