

## **The complaint**

Miss W is unhappy with the way Aviva Insurance Limited (Aviva) handled her claim following an escape of water in her kitchen. Miss W had home insurance with Aviva, including buildings and contents.

## **What happened**

Briefly, Aviva accepted Miss W's claim for damage to her kitchen following an escape of water. She complained about the delays and overall handling of her claim.

The complaint has been ongoing for some considerable time and the details are well known to both parties. I won't repeat them again here: instead I'll introduce each key part of the complaint for reference and give the reasons for my 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.

I've decided to uphold the complaint, but I won't be asking Aviva to do any more than our investigators have already proposed. I'll explain.

Firstly, Miss W and Aviva have provided a lot of information about this complaint. I won't be commenting on every piece of evidence and our rules don't require me to. But I will be commenting on the issues that Miss W identified as important to her and which she raised directly with Aviva before bringing her complaint to this service.

## **Complaint handling**

Miss W is unhappy that Aviva didn't respond to complaints she made.

I see our investigators explained to Miss W that it's not within my remit to make a decision on complaint handling issues. That's because I can only decide a complaint about the regulated financial service Aviva provides – here, it's insurance. But Miss W's original complaint was about the way it handled her claim and her additional complaints were that it didn't respond to all her concerns about the claim handling. Therefore, I'm satisfied that I can consider the issues she raised because they were about or directly linked to the insurance claim.

That said, I'm satisfied our investigators addressed these issues indirectly through consideration of any avoidable delays, communication shortfalls and Aviva's treatment of Miss W throughout the claim. I'll take the same approach and explain my decision about the overall complaint rather than make a separate requirement for this point.

## **Claim handling**

Miss W complained that Aviva implied she lied about the cause of the water damage, basing its assumption on the name of the contractor she chose.

When Miss W explained that she planned to use a particular contractor to investigate the water damage, Aviva made further enquiries of her. She said that was only because of the contract company's name which indicated they specialised in treating damp. Having looked at the correspondence around this issue, I haven't identified anything which caused me to think Aviva accused Miss W of lying. Aviva reasonably asked Miss W to clarify the cause of the water damage and ultimately accepted that the company she wanted to use dealt with issues other than damp. I don't think it was wrong for Aviva to clarify this with Miss W because her policy wouldn't have covered any work for damage caused only by damp.

Miss W said Aviva made an unreasonable cash settlement offer to force her to use its contractors for the repairs.

When settling a claim, the policy provides for the following:

## *2. Settling buildings claims*

*We can choose to settle your claim by:*

- *replacing;*
- *reinstating;*
- *repairing;*
- *payment.*

*Replacement will be on a like for like basis or based on the nearest equivalent available in the current market. If we are able to replace property, but we agree to make a cash settlement, we will only pay you what it would cost us to replace the item as if it were new.*

I'm satisfied that Aviva made a cash settlement offer in line with the policy terms and conditions, which also allow Aviva to use its own contractors to repair. So, there would've been no need to force Miss W to make a choice. It seems that Aviva underestimated the work required so the offer was likely premature rather than deceitful. Had Miss W accepted its original offer, and then found that the damage was more extensive, Aviva would've been required to reconsider the settlement amount. So, I see no benefit to Aviva in purposely making a low offer. There's nothing for Aviva to put right, here.

Despite these points, it's clear that the claim wasn't handled as well as it could've been. There was some dispute about what, exactly, Miss W's policy covered, which is something Aviva should've been aware of. Her claim was passed to a new claims handler within Aviva after which things progressed more smoothly, but it caused Miss W inconvenience because she had to repeat details of her claim and complaint again. Our investigator addressed this when proposing further compensation to the goodwill already offered by Aviva, and I've taken it into consideration when deciding a fair and reasonable outcome.

## **Delays**

Miss W is unhappy with the length of time it took Aviva to settle her claim. She raised her claim in August 2019 and Aviva paid the cash settlement in September 2020.

There's no dispute that Miss W's claim took a long time to settle. Claims of this nature do take time and I can understand that any delay will feel significant because of the inevitable inconvenience. But I can only hold Aviva responsible for any delays which were avoidable. I've looked at the timeline of events, which both parties have seen, but I haven't identified any significant delays which Aviva could've prevented. I note there was a delay due to the national lockdown, so it would be unfair to place any responsibility on Aviva for that.

Both parties are already aware that some of the delays were due to the time Miss W took to choose replacements for the damaged parts of her kitchen. I can't reasonably hold Aviva responsible for those delays either, especially as the notes reflect contact with Miss W to ensure she was still looking at her options. To be clear, though, I'm not suggesting that Miss W was wrong to take her time choosing. She'd experienced a significant loss with the damage to her kitchen and I can understand that while she was already experiencing upheaval, she'd want to make informed decisions about the replacements. And, as she did here, arrange for any additional, upgrade work to be done rather than changing things again later. So, the delays Miss W caused were understandable and perfectly reasonable, but I can't fairly ask Aviva to compensate her for those delays.

## **Safety**

Miss W said Aviva left her home in an unsafe state resulting in her pet becoming entangled in wires; injury to her and her family through trip hazards, and back pain because of the unnatural position she held herself in when using the kitchen sink.

While I can see Miss W made Aviva aware she had pets which had become distressed at the upheaval, I haven't seen any evidence that Aviva left her home in an unsafe state such that it could've caused her pets any harm. While I have no reason to doubt what Miss W says about her pet becoming entangled, I can't hold Aviva responsible for the possible outcomes she described which didn't happen.

I understand Miss W tripped over a step in the flooring which hadn't been there before. Miss W described it as a step up to the hall where the flooring was previously level. That makes sense to me because layers of flooring had been removed from the kitchen, so I don't doubt it was there. But I haven't seen any evidence that Miss W complained to Aviva about the step. A step from one room to another is not necessarily a hazard, so I can't say it equates to being unsafe. And if Aviva wasn't made aware of the specific problem, I can't hold it responsible for Miss W's complaint that it was a trip hazard.

With all this said, I've seen the photos of Miss W's kitchen floor and it's quite clear that there was a large hole in front of the sink. The photos also show a relatively thin temporary covering taped over the hole, but I can see why Miss W wouldn't have thought it safe to stand on. So, I accept what she says about the discomfort of standing awkwardly to use it. I also note that Miss W did tell Aviva she found it difficult to use the sink and she was unhappy with the overall state of her kitchen. Aviva said it found the floor to be left in a safe state, but that was only determined some considerable months after the claim started. I've taken this into consideration when deciding on the level of compensation.

## **Alternative Accommodation**

Miss W complains that Aviva didn't offer her alternative accommodation or provide a disturbance allowance.

As I said earlier, I can only consider issues which Miss W raised directly with Aviva and which it has had a chance to respond to. But, as this point has been covered in our previous correspondence, I'll comment on it now.

I note that Miss W's policy only provides cover for alternative accommodation if the home can't be lived in. In the absence of a definition, I take that to mean no cooking or toilet facilities. Miss W still had use of her kitchen, albeit rather awkwardly, and I've not seen anything to show that the bathroom was affected, so it's unlikely Aviva would've been expected to make such an offer under the policy.

Disturbance allowance is a payment made when alternative accommodation is offered but the policyholder prefers to stay at home. It covers expenses over and above the usual living costs incurred as a direct result of the damage. As it's unlikely Miss W was covered for alternative accommodation, it's unlikely Aviva would've been responsible for paying disturbance allowance.

## **Compensation**

Our investigator thought a further £200 compensation was a fair outcome, in addition to the goodwill of £386.65 Aviva had already provided. Miss W didn't agree because she thought far more was warranted in recognition of the time it took to settle the claim; the distress and inconvenience caused to her and her pets, and the unsafe state her home was left in. Miss W also asked when Aviva had offered her £386.65 and how it was calculated.

I've concluded on each of the issues and found that, overall, there were parts of the claim Aviva could've handled better from the start. So, I've thought about whether the compensation of £586.65 is fair.

I'll start off by saying the amount of goodwill originally stated was incorrectly calculated. Aviva didn't provide Miss W with £386.65 - in fact, Aviva gave her more than that. I'll explain.

When Aviva settled the claim in September 2020, it offered a sum slightly less than Miss W expected. It explained the following:

"[Aviva] will cover the additional £22.91 on the decoration but there is a discrepancy of £621.86 on our flooring figures...what [Aviva] can offer is meeting half way which totals £310.93...the new overall total payable to you is £19,665.13 plus VAT = £23,598.16"

Miss W replied:

"With regards to your offer, whilst I am grateful to you offering to meeting me halfway on the figures I think that given the considerable amount of stress and inconvenience over the last 13 months that the business have put me through I am sure they can stretch to settling the claim in full."

Aviva responded:

"[Aviva] will now cover the quote in full as a gesture of goodwill for you, the new total ...is £20,044.76 plus VAT = £24,053.71"

Therefore, Miss W has already benefited from goodwill of £644.77 and she would've been aware of it at the time.

Before this clarification, I was satisfied that the goodwill of £386.65 and the additional £200 compensation was reasonable for the issues I've addressed. Aviva should've been aware that the full goodwill paid was actually £644.77, and it has already agreed to the additional payment of £200. As this clarification is not to Miss W's detriment, and Aviva agreed to it, I don't see any benefit in making any changes now.

Therefore, my requirement is for Aviva to pay a further £200 compensation, as previously agreed, if it has not already done so. That means Miss W will have received total compensation of £844.77 for the distress and inconvenience she experienced. I think that's fair and reasonable in the circumstances.

## **Summary**

The evidence shows that there was confusion during the claims process caused by the dispute over what the policy covered and the change in claims handler. While that caused Miss W some inconvenience, distress and frustration, most of the delays were minor or due to unavoidable circumstances and the additional private work done. Aviva covered the cost of work to the value of £644.77 as a gesture of goodwill and I'm satisfied that payment of £200 compensation is sufficient to address the shortfalls discussed here and bring the matter to a close.

## **My final decision**

For the reasons given above, my final decision is that I uphold the complaint and Aviva Insurance Limited must:

if it has not already done so, pay Miss W £200 compensation for its part in the inconvenience, distress and frustration caused by the unsatisfactory state her kitchen was in for the duration of her claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 13 April 2022.

Debra Vaughan  
**Ombudsman**