

The complaint

Ms D has complained about her contents insurer Aviva Insurance Limited in respect of a claim she made when there was a fire at her home.

What happened

There was a fire at Ms D's home which she shares with her family. Aviva accepted a claim and appointed a specialist disaster team to list and clear the contents items. A loss adjuster wasn't appointed. Ms D asked for assistance with moving out but Aviva thought the buildings insurer would be arranging that. Ms D then became concerned that items taken for disposal had been missed from the list created by the disaster team, and she wasn't happy with the prices that had been presented for items that were listed. The disaster team had taken a painting for restoration but after several months Ms D had heard nothing about it. Just when Ms D thought the claim was drawing to a close a problem arose with a deposit amount that Ms D thought she would receive back. However, a mix-up resulted in Ms D being asked for money and/or believing she wouldn't receive this money back.

In January 2021 Aviva established that the disaster team still had the painting, this still hadn't been sent to the restoration company. Over several letters Aviva:

- Accepted it had been wrong to initially decline Ms D's claim for outbuildings.
- Said it had communicated poorly with Ms D.
- Set out what payments it was making for outstanding contents items.
- Apologised for the issues which had arisen around the deposit.

Aviva paid Ms D £150 compensation and offered her a further £100.

Ms D felt that was insufficient given everything she'd been through. She still felt unclear about what Aviva had paid for contents items as the piecemeal way payments had been made was (to her) confusing. She remained unhappy that the painting hadn't been returned to her. Overall she felt let down – that Aviva hadn't initially assisted them enough in the early stages of the claim, particularly with finding a property. And then when it did step in to assist with finding them alternative accommodation (AA), its agent had been ineffectual.

When our investigator contacted Aviva, it said it hadn't had a complaint from Ms D about the contents settlement, or the painting. But it made some enquiries regarding the painting which was subsequently returned to Ms D. She was unhappy about the state it was in and our investigator confirmed that she would have to make a new complaint about that to Aviva.

Regarding other issues our investigator noted that Aviva only provided the contents cover for the property. So he felt it had acted fairly and reasonably in that role. He said it should refund Ms D's costs for moving from the property and it agreed to do so.

Ms D was dissatisfied. Her complaint was passed to me for an ombudsman's consideration.

I felt Aviva had failed Ms D at times and that it needed to do more to put things right. I explained my views in a provisional decision, my findings of which were:

“property security

I know Ms D was unhappy that, in the aftermath of the fire and for several weeks, the property was left insecure. But that wasn't something for Aviva to deal with. That is because it was only providing cover for the family's contents items – which in this case included cover for the outbuildings themselves as well. I appreciate that the way the property was left was very worrying for Ms D – but that wasn't Aviva's fault.

removal costs

Aviva was going to arrange removal – but it couldn't get it booked in quickly enough. So Ms D found a company herself at a cost of £695. Aviva agreed to pay that sum – that it had always said that it would once it saw proof of Ms D's outlay. I understand that Aviva has recently made that payment. I'm pleased this has now been settled – I certainly would have been making Aviva pay it if it hadn't already agreed to do so. And I think Aviva wanting to see proof of Ms D's outlay was reasonable. As long as it has been paid, in any final decision I issue, I won't make any award in this respect.

contents settlement

I've reviewed Aviva's file and I think Ms D did tell it she was unhappy with things. Whilst I appreciate she hasn't specifically said she was unclear about what items were being paid for, she did say, in reference to her providing lists and costs, that she was having difficulty. She said she was feeling like she was having to do the disaster team's work. The implication at the very least was that she was struggling. So I think I can reasonably look into her concerns about not knowing what settlement has been paid.

I note Aviva did give Ms D a clear list in January 2021 of what the outstanding payment it was making at that time was for. And I note that when it made payments earlier in the claim, it did give Ms D some detail – but I don't think that was enough.

So there was a long list of items and costs which Aviva shared with Ms D. The costs detailed totalled £11,069.77. Aviva paid that sum to Ms D as an interim settlement. But Ms D challenged that. She said some items were undervalued, some having been given no value at all and some were missing. Aviva noted that Ms D had added £5,433.74 to the costs it had set out, as well as pricing the items it hadn't given any value for at £12,986.93. The 'missing items' were set out by Ms D and mostly featured in the further payment list detailed in January 2021. However, seemingly, Aviva wasn't wholly persuaded by the totals Ms D had presented. It said it would pay her £3,910.77 of the £5,433.74 total sum and £3,384.99 of the £12,986.93 total sum. That is straightforward enough but I understand where Ms D is coming from – she hasn't been told what values have been ascribed to the various items which make up those totals and resultant settlements. I think Aviva should share that detail with Ms D. She should then, along with the original list and the details provided by Aviva in January 2021, have a clear breakdown of Aviva's settlement for her claim. She can then decide if she is happy with the costs attributed.

The parties will note I have not given any view on the costs themselves at this point. Currently, because Ms D did not have a full breakdown from Aviva, the parties have not had chance to consider or review their final respective positions on the amounts paid and any resultant disputes. Once that is done, if Ms D remains unhappy, she can make a further complaint regarding the quantum of the contents settlement, either as a whole or in respect of certain items.

I'd add that I know Ms D feels payments have been made piecemeal. I think she is correct in that and I can understand this was likely frustrating for her. And I note Aviva accepts that it

should have appointed a loss adjuster to oversee this claim. I'll take that into account further on. But even with a loss adjuster on board, settlement for claims like this often occurs piecemeal. It isn't unusual for a policyholder to feel items are missed or only remembered later and have to be added for further review. Furthermore, this service would always encourage insurers to make initial, interim and/or emergency payments where appropriate to assist policyholders. This unavoidably adds to the piecemeal nature of the settlements.

emergency payment of £200

The fire affected two bedrooms. Ms D told Aviva they (4 adults) had no clothes available at all. Aviva paid them £200 on 9 July 2020. Ms D later told us that hadn't been enough.

I can't see that Mr D ever challenged Aviva on the amount of the emergency payment. But I bear in mind that she has shared some emails with us that, for whatever reason, aren't reflected on the file Aviva has sent us. I also bear in mind though that in the week after the emergency payment Ms D was dealing with some very difficult circumstances and she was clearly unhappy about the progress of the claim in general. So I think I can reasonably look into her concerns about this activity.

I think Aviva could have done more to assist Ms D at this time. I don't think £200 would go far. And Aviva's file shows that from this point it was chasing the disaster team for its initial assessment of the loss. The interim contents settlement wasn't paid until 14 August 2020. Whilst an emergency payment wouldn't be expected to stretch to buying a new wardrobe, I think it would have been difficult for the family to clothe themselves for that period on such a small sum. I think Aviva could reasonably have reviewed what it had paid as the weeks went on – and I think that if someone like a loss adjuster had been overseeing this claim, things like this would have been managed. I'll take this into account when awarding compensation.

AA

Aviva is the contents insurer. It is fair to say that in respect of a claim issue like this, the building's insurer usually takes the lead. So I think it was reasonable of Aviva on 30 June 2020 to say that the building's insurer should be handling that.

However, as of 2 July 2020, Ms D emailed Aviva and asked for its help. Aviva didn't offer assistance. And even when its disaster team told it on 9 July 2020 that Ms D had found herself having to source AA herself, Aviva still didn't step in. I know that on 16 July 2020 Aviva heard that Ms D was expecting to move somewhere shortly. But it still didn't get in touch with Ms D. And it was 21 July 2020, following a further plea for help from Ms D, that Aviva finally looked to assist her. I think Aviva should have stepped in before then. Whilst the buildings insurer usually takes the lead it was obvious from 2 July that Ms D wasn't being assisted by the buildings' insurer and, as her insurer, Aviva should have taken over.

When Aviva stepped in it seems its accommodation agent began having trouble finding appropriate properties for Ms D. Problems like this can sometimes arise and it may take a little while to find a property which reasonably accommodates the needs of those involved. However, what an insurer usually does in the meantime is put the policyholder into some form of short-term emergency accommodation. That type of accommodation will not be like their own home but it will get them out of the uninhabitable conditions they're living in whilst more appropriate AA is found. As it was it was 15 August 2020 before Ms D and her family moved out of their fire damaged and asbestos contaminated home. Even from 21 July that, in my view, was far too long.

So I think Aviva failed Ms D in respect of AA. Again I think things would likely have been managed, and proactively, if a loss adjuster had been appointed. As it was, when Aviva did act, it was seemingly only in response to contact from Ms D. In short it should have stepped in to assist her much earlier than it did, and even once it did step in, it didn't do enough to move her and the family out of their damaged home. I'll take that into account when awarding compensation.

painting

Contrary to what Aviva told us, I can see that Ms D had raised concerns with it about where the painting was and what was happening with it. So I am going to look at that part of Ms D's complaint. I know that the painting has since been returned to Ms D and that she is unhappy with its condition. But I can't and won't be looking at that as it is a new issue. I trust Aviva has progressed her complaint in respect of how the painting has been returned to her.

The disaster team took the painting away on 14 July 2020. By 5 November 2020 Aviva itself noted that it needed to find out what was happening with the painting. It was about ten days later when it made some enquiries. Whilst nothing came from those, Aviva didn't then follow up on the matter until mid-December 2020. And that was only prompted by Ms D having asked it for an update. Seemingly the disaster team, at that point, were unsure of the whereabouts of the painting and said they'd have to check. In mid-January 2021 Aviva ascertained that the disaster team still had the painting at its depot and it had not yet been sent for restoration. I have no idea why the painting had sat without being dealt with for all that time. This does not equate to a reasonable handling of this claim aspect. Either in terms of the time itself or the way in which Aviva followed up on it. I'll take this into account when awarding compensation.

But I can't comment on how the delay in sending the painting for restoration may or may not have affected the condition it was returned in. That's partly because I don't know the parties' full views on the restoration aspect. As I said above, I'm not looking at that. But also because I'm not sure when, after this the painting did get sent for restoration. There's no more detail on Aviva's file about it. But as I know there is a complaint pending about the condition in which the painting was returned, I'm going to stop my analysis of the claim activity which occurred in respect of the painting at this point. To be clear that date is 13 January 2021. And the painting was returned to Ms D in April 2022. So this period and what happened in respect of the painting in that time has not been considered by me and, therefore, can be considered as part of a different complaint. As can, if relevant, how the delay in sending it for restoration affected its condition upon return.

compensation

I've set out above some key aspects which I'm taking into account when awarding compensation. In addition I note that Ms D has certain health issues which Aviva's file notes it was aware of throughout the claim. And, as such, I accept that Aviva's failures had a significant impact on her. She also found herself having to care for Mr D who became seriously ill during the period the family were living in the damaged home. I can't reasonably say that most likely occurred due to Aviva's failure to not re-house them. But I think that likely didn't help the situation.

I further accept that Aviva's failure regarding the deposit had a huge negative impact on Ms D. Aviva had paid the deposit for the AA. But it had deducted the sum from the contents settlement paid to Ms D. So Aviva's letting agent should have been told to pay Ms D the deposit back at the end of the tenancy. But when it checked with Aviva, Aviva told it the money had to come back to it. This resulted in the letting agent contacting both Ms D and her landlord, demanding that the deposit fund was released to it for payment to Aviva.

I accept that, in some ways, this was a relatively minor failing on Aviva's part – a simple oversight by someone dealing with a complex file. But it was avoidable. Not least as the letting agent, when making its enquiry of Aviva, said Ms D had told it she believed it had been off-set against the settlement. Which was correct and relatively easily verifiable. In any event, whether or not an avoidable error is simple/minor doesn't necessarily speak to the magnitude of the impact of the error. In that respect I understand that here, for Ms D, finances were somewhat strained, and she'd had months of dealing with a difficult and trying claim, whilst not being in the best of health. She was also at a point, I think, where she felt the biggest issues (although not all issues) had been resolved or were concluding. And then Aviva's error occurred, and she was suddenly being approached regarding payment of a not insignificant amount of money. I don't think her landlord was too happy about the situation either and I think this likely caused Ms D more upset and worry. And Ms D herself has explained how this situation caused her to need to seek support from a national advice service. It's not clear exactly how long Ms D was having difficulty regarding the deposit before she approached Aviva – but I think it was likely at least a couple of weeks and maybe about a month looking at the date when the error occurred. I note that once Ms D told Aviva what was happening it acted quickly within just a few days to both resolve things, apologise and offer compensation. I think that likely limited Ms D's suffering but, even so, I'm not persuaded the apology and compensation offered were fair and reasonable in the circumstances. So I've taken all of this into account as well.

Overall, I think Aviva should be paying Ms D a total of £1,500 compensation. It can deduct from that any sums it has paid already – likely £150, with the £100 only being offered not paid. I think that's fair and reasonable in the circumstances considering all of the upset caused by its failings."

Aviva said it didn't think I should be considering the complaints about the emergency payment and the painting. Also that it wanted to be sure I had understood the complexities of the AA situation. Aviva further said it wanted to better understand my reasons for the compensation award. Our Investigator spoke to Aviva to explain that my provisional decision set out all my views on the complaint, including why I felt I could consider certain aspects of it and to what extent I had done so.

Ms D said her policy covered her for moving out of the home. She said that if Aviva thinks this was the responsibility of the buildings insurer then it had mis-sold her policy. Ms D said £1,500 compensation was not enough. She did not think the fact of asbestos being in the property had been taken into account. Ms D said the whole house was affected as the asbestos was airborne.

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 acknowledge Aviva's concerns about my considering the issues of the emergency payment and painting as part of this complaint and decision. However, it hasn't said anything which persuades me I can't or shouldn't be dealing with them. And as I've explained provisionally, I'm aware that there is an outstanding issue in respect of the painting which Ms D and Aviva are currently discussing between themselves. And I explained that I was not looking at that.

I know Ms D's policy, which covers the contents of her home, includes cover for AA. Aviva does have a liability to Ms D in this respect. And Ms D has benefitted from that because Aviva paid for her and her family to live elsewhere for a significant period of time. So her policy was not mis-sold to her.

But it is the case that the established industry practice, in respect of AA, in a situation like this, is for the buildings insurer to take the lead. In any event though, both Ms D and Aviva will note from my provisional findings that I said Aviva was made aware within a few days that Ms D, as its policyholder, needed assistance. I also said that whilst finding AA like her home was clearly difficult, Aviva should have looked at putting Ms D in to short-term temporary AA. I still think Aviva could and should have done more to assist Ms D with AA. And I can assure Aviva that I say that whilst having fully considered all of its claim submissions and having taken into account all the complexities of the claim situation.

I set out provisionally why I felt a total of £1,500 compensation was fairly and reasonably due. Aviva hasn't provided any detail which makes me think that is an unfairly or unreasonably high sum. Ms D thinks it is too little. I've considered Ms D's response in this respect. But it doesn't add anything I wasn't aware of when making my provisional decision. As I said provisionally Aviva's failure in respect of AA meant she and her family were left in the fire and asbestos damaged home for far too long.

Having considered the parties' responses to my provisional decision, my view on the complaint has not changed. As such my provisional findings are now those of this, my final decision.

Putting things right

I require Aviva to:

- Provide a full list, perhaps in a spreadsheet format, to Ms D setting out what has been paid for what items.
- Pay a total of £1,500 compensation (but any sums already paid can be deducted first and just the amount outstanding paid).

My final decision

I uphold this complaint. I require Aviva Insurance Limited to provide the redress set out above at "*Putting things right*".

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 31 August 2022.

Fiona Robinson

Ombudsman