

The complaint

Mrs G and Mr R are unhappy with the amount Aviva Insurance Limited is proposing to pay them to put right damage caused by poor quality workmanship.

What happened

Aviva previously carried out some repair works at Mrs G and Mr R's property. However, they have since been found to be of poor quality and have failed, causing additional damage.

Both parties have since agreed what repair works and costs will be covered by Aviva. Aviva has also confirmed it will pay the £200 compensation recommended by our investigator.

The issue that remains outstanding for me to decide is whether Aviva should pay a 25% uplift on the cost of repairs that were originally quoted, due to the time that has since passed. Aviva does not believe it should pay the uplift as it originally offered to make a cash settlement to Mrs G and Mr R but they refused the offer.

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 agree with the conclusions reached by our investigator for the following reasons:

- Both parties have agreed that costs relating to health and safety documentation and personal protective equipment (PPE) will not be covered by Aviva.
- Aviva has said due that to the time passed and previous readings, the property should now be dry therefore no further drying costs should be covered. While I agree that seems a sensible assumption, should the builder Mrs G and Mr R engage to complete the work provide evidence that further drying is in fact required, I would expect Aviva to cover this cost.
- The area where the work is taking place has already been tested for Asbestos which has given a negative result. As such, I agree Aviva shouldn't cover any further testing costs.
- Aviva has agreed to cover the cost of removing a refitting pipework. I agree this is required in order for the necessary repair work to take place.
- Aviva chose to offer Mrs G and Mr R a cash settlement. This means that in order to fully indemnify them, it needs to pay them what it would cost them to engage a builder to do the necessary works.
- While Aviva did offer a cash settlement, it did not pay any money to Mrs G and Mr R or make any sort of interim payment at a later date. So, its liability remains

outstanding. I'm mindful Mrs G and Mr R declined the original offer, but I think they had reasonable grounds to do so. However again, I don't think this would have prevented Aviva making an interim payment for the cost of work it had already accepted.

- Mrs G and Mr R have explained they could not afford to fund the works themselves, so they were dependant on the money being released by Aviva.
- Wholesale costs have increased considerably over the past year and as such I think it is reasonable, given my thoughts above, that Aviva should absorb those costs. Otherwise, it will not be fully indemnifying Mrs G and Mr R. And we must remember the reason these works are required in the first place is to poor workmanship of the contractor Aviva sent to Mrs G and Mr R's property.
- The builder Mrs G and Mr R approached explained in July 2022 that they anticipated they would need to bill at least a 25% uplift on the cost of the previous quotation they gave in January 2022. If, when Mrs G and Mr R arrange the works the builder, given the time passed is unwilling/unable to honour his previous thoughts, then a new up to date quotation should be obtained. Aviva will then need to pay the costs set out on that quotation for the works agreed to. I would encourage Mrs G and Mr R to contact the builder as soon as possible and provide an update to Aviva.
- It is clear from the submissions made Mrs G and Mr R have been caused trouble and upset by the situation that has developed. I think Aviva should pay Mrs G and Mr R £200 compensation to reflect this.

For the above reasons, I uphold this complaint.

Putting things right

To put things right Aviva should do the following:

- Pay the costs of drying works, should the builder Mrs G and Mr R engage provide evidence they are needed.
- Make a payment to Mrs G and Mr R equivalent to the amount it will now cost them for the repairs to be completed.
- Pay Mrs G and Mr R £200 compensation.

My final decision

For the reasons above, I uphold Mrs G and Mr R's complaint against Aviva Insurance Limited. I direct Aviva Insurance Limited to put matters right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr R to accept or reject my decision before 14 October 2022.

Alison Gore
Ombudsman