

The complaint

Mr P has complained about Aviva Insurance Limited's decision not to meet his claim in full following a theft claim he made under his home insurance policy.

What happened

Mr P bought a home insurance policy for property 'A' which was the risk address. Mr P made a claim under the contents section of his home insurance policy with Aviva for the theft of power tools from a property he was renovating which I will refer to as 'property B'. Mr P was living in property A and said he had recently bought property B with the intention of moving in. Mr P had bought separate buildings insurance cover for property B but had no contents cover.

Aviva initially told Mr P that it would meet his claim for the stolen items from property B under the section 'contents temporarily removed from the home' section. This shows a policy limit of £10,000.

However, Aviva later confirmed that it would only consider the claim under the 'personal belongings' (PB) section of the policy, rather than 'contents away from home' section. The PB section claim amount was limited to £1,000.

Mr P complained to Aviva about its decision as he believed his claim should be covered under the 'contents away from home' section. But Aviva didn't uphold his complaint. So Mr P asked us to look at things for him.

Our Investigator didn't recommend the complaint should be upheld. He thought Aviva had fairly applied the terms of the policy.

Mr P didn't agree. I issued a provisional decision on 22 July 2022 intending to uphold Mr P's complaint. I didn't think Aviva's policy wording was clear enough and intended to ask it to reconsider Mr P's claim under the remaining terms and conditions of the policy.

Aviva accepted my provisional decision. Mr P didn't reply. So the case has been passed back to me to decide.

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.

Mr P's policy with Aviva provides cover for insured perils. We usually refer to these as events, such as theft, fire or flood. Like most insurers, Aviva sets out under the policy what it

defines as cover depending on the risk it is willing to accept.

Mr P's policy schedule highlights the levels of cover he has with Aviva when he made his claim. This shows that Mr P had contents temporarily removed from the home with a limit of £10,000 and unspecified personal belongings in and away from home limited to £1,000.

The schedule provides a summary of the cover Mr P held with Aviva. The policy wording provides an explanation of the cover. The key section of cover which Mr P believes applies to his circumstances reads as follows under Aviva's policy:

*"Contents temporarily removed from the home
We will provide cover up to the limit shown on your schedule for loss of or damage to contents by any of the causes listed under Contents in the home, cover sections numbered 1 – 10, while temporarily removed from the home to:
a) any bank or safe deposit, or any private home or building where you are living (including while attending full-time education), employed or working in the British Isles;
b) anywhere else in the British Isles."*

Under the section of cover for Personal Belongings, Aviva says:

*"This section only applies when shown on your schedule.
This cover is for loss or damage to your personal belongings shown on your schedule in and away from the home anywhere in the world."*

Aviva provides a definition of what it means by the word 'home' under the policy. It says;

*"Home
The house or flat, its outbuildings (including garages) and the total area of the plot, as described on the title deeds, at the address shown on your schedule, all used for domestic purposes and/or clerical business purposes only."*

So I think it's clear that property A – being listed on the schedule – is the home Aviva refers to. Therefore, 'home' is the risk address Aviva has agreed to provide cover for and which Mr P has paid for.

Aviva says that Mr P wasn't living at property B where his power tools were stolen from. Mr P told Aviva this when he reported the theft. He said he was renovating property B.

Mr P says as there is no definition of 'living' and as he was working at property B, his claim should be covered under 'contents temporarily away from home' as his circumstances meet this section of the policy.

It isn't a requirement for an insurer to define everything under the policy – and in this case I don't think Aviva's lack of definition for the term 'living' is unreasonable or unusual. It provided as an example what it meant by 'living' when it referred to being in full time education or work. I think a reasonable consumer would understand this to mean 'living' as in similar to living in their main residence. And so for the insurer, the risk is similar. So I don't think Aviva has been ambiguous here. I think it has been clear enough as to what contents cover it will provide while 'temporarily removed from the home'.

Mr P told us that he had set up an office in property B and was working there during the day, and there were beds in the property for him to choose to sleep over as and when he wanted to.

When Mr P first reported the theft to Aviva, its notes show that he was using the tools for personal use. Mr P explained that he had buildings only insurance cover for property B. He said he'd just bought it, there were very few contents in the property as it was being renovated and wasn't ready to move into. He said the tools were being used on 'what will eventually be our kitchen'.

Aviva initially accepted Mr P's claim under the 'contents temporarily removed from the home' section of the policy. But it contacted Mr P a few days later to advise that this was incorrect. Aviva said this section didn't apply as the loss wasn't from a private home where Mr P was living. For its error it paid Mr P £50 compensation due to loss of expectation.

When Aviva advised Mr P of the change in the way it would deal with the claim, he said he did live at property B sometimes and as he was working at the property, his claim should be covered under the preferred term.

But I think it's fair and reasonable for Aviva to conclude that Mr P was living elsewhere and for the term 'living' as a reasonable consumer to be interpreted as their main residence; being property A. And I think it was clear Mr P was using his tools at property B for personal use. Again, I think a reasonable consumer would understand in the context of the term; *"employed or working in the British Isles"* to mean paid work or employment and not renovation work to their own property.

Mr P says Aviva hasn't defined what it means by section *"(b) anywhere in the British Isles"* and understands it to be therefore an all-encompassing term which includes his circumstances.

We asked Aviva to provide their comments. In response, Aviva said;

"(term b) is for when the insured goes on holiday or away for a weekend, and is temporarily living somewhere else. As he is not living in the second property, just working there at times and returning back to main residence, this cover would not apply."

I've looked at the policy wording and I don't think it's clear enough. Section b is set out as a separate level of cover to section a; but Aviva doesn't provide a definition or examples of what it defines as separate. And so I can understand why Mr P isn't clear as to why his circumstances do not fall under section b: *"anywhere in the British Isles"*

So I'm upholding this complaint. I've set out the steps Aviva should take to put things right below in line with my provisional recommendations.

My final decision

My final decision is that I uphold this complaint. I require Aviva to reconsider Mr P's claim under the remaining terms and conditions of the policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 September 2022.

Geraldine Newbold
Ombudsman