

The complaint

Mrs and Mr C complained about Aviva Insurance Limited. They aren't happy about the way it dealt with a claim under their property owners insurance policy and their loss of rent caused by the delay.

What happened

Mrs and Mr C made a claim under their property owners insurance policy after an escape of water claim at their tenanted property. They weren't happy about the delay in finalising the claim which meant they lost rent after their tenant moved out and there was a delay in repairing the property. So they complained to Aviva and then this Service.

Our investigator looked into things for them and upheld their complaint. She thought there were delays in advancing the claim which meant that the property wasn't in a fit state to let. And so, she thought Aviva should cover the loss of rent claim from when the property was vacant until the claim was cash settled in line with the policy terms and conditions, adding 8% simple interest.

Aviva didn't agree, it accepted the property wasn't really lettable but believed it would have been difficult to rent at that time of year, so the matter has been passed to me for review.

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 think the complaint should be upheld. I'll explain why.

Mr and Mrs C's escape of water claim stemmed from a leak under the shower in their rented property causing a fair degree of damage. And when Aviva undertook the repair Mrs and Mr C felt the repair wasn't undertaken properly and that the subfloor under the shower tray wasn't replaced when it should have been as it was decayed. This led to a breakdown in the relationship with the repairer (who maintained that the subfloor had been replaced) which led to a delay in finalising the claim. Ultimately, the claim was cash settled between the parties.

I know Aviva dispute that the subfloor wasn't replaced and have said its repairer says they did replace it. But Mr C was pretty clear in his description that the chip board was crumbling away and so I can understand why he questioned the repair at that point in time.

However, Aviva accepts there was a delay and that the accommodation wasn't ready to be rented. The managing agent of the property has confirmed it wasn't in a fit state to let out as there was mess across the property and the shower room was clearly not in use.

As both sides appear to accept there was a delay I don't propose to go over the issue with the subfloor in detail. I will just focus on the delay and the impact this has had on Mrs and Mr C. Although Mrs and Mr C's action may have contributed to the delay initially, when they questioned the standard of work that was being undertaken, but Aviva took over six weeks to

get things moving again which is surprising. And there appears to be a lot of discussion on file about cash settling the claim given the difficulties faced in advancing the claim but Aviva didn't look to do this until months later which appears to have contributed to the delays.

Aviva appears to accept, in its response to our investigator, that the property was empty and not lettable but feels the ability to rent out the property would have been impacted by the time of year. While I accept that the time of year *may* have impacted the letting of the property I can see that once the property was ready to let the managing agent rented the property within a few weeks. And while I can't be sure how much the time of year would have impacted the ability to rent the property I think it is still likely, given how quickly the property was rented once it was ready, that a tenant would have been found relatively quickly.

So, given it is accepted that Aviva caused some delay and it wasn't unreasonable for Mrs and Mr C to wait for the repairs to be done before renting out the property (which they thought would be a matter of weeks not months) I think it is only fair, in the particular circumstances of this case, for it to pay Mrs and Mr C the loss of rent from the time the property became vacant until the date the claim was cash settled in line with the policy terms and conditions. Plus, 8% simple interest for the time they were without the rental income. I say this

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require Aviva Insurance Limited to pay Mrs and Mr C their loss of rent from the time the property became vacant until the date the claim was cash settled.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 10 October 2022.

Colin Keegan
Ombudsman