

The complaint

Mr D and Ms D complain about how Aviva Insurance UK Limited (“Aviva”) handled a claim under their home insurance policy. When I refer to Aviva I also mean its loss adjusters and contractors.

What happened

Mr D and Ms D are represented in their complaint by a third party, but for simplicity I will refer to them throughout.

Mr D and Ms D have a home insurance policy with Aviva covering their buildings and contents.

In June 2021 their home was damaged by an ingress of water. The water caused damage to several areas of the house.

Aviva agreed to cover the internal damage caused by the water, but said it wouldn't pay for some external damage, because it said the ingress of water had exposed some areas of pre-existing defects, which its policy wouldn't cover.

Mr D and Ms D disputed Aviva's decision.

After the water ingress happened, Mr D and Ms D said that the smell of damp and mould in the property increased. Ms D has an underlying medical issue which means she is allergic to mould.

Aviva arranged for a damp report from a company I'll refer to as A. Then, a different contractor who I'll call R was put in place to carry out the works.

During the works to dry and clean the house, A returned to assess them and criticised R's methods. Mr D and Ms D declined to allow R to complete the works.

Aviva paid for their family to live in alternative accommodation. Mr D and Ms D have several pets which complicated the choice of suitable alternative accommodation. Mr D and Ms D declined to move back into the house until the mould had reduced to a suitable “background” level.

Aviva arranged for a specialist environmental sciences company to provide a detailed report on the property in November 2022.

Aviva has said that it thinks the house is considerably cleaner, dry and improved from the situation after the ingress of water. The presence of mould in the property after de-contamination has been confirmed by Aviva.

Mr D and Ms D complain that Aviva:

- Didn't adequately dry and clean their house, leaving it in a worse state and more toxic with mould.

- Delayed the claim.
- Didn't communicate with them effectively meaning they had no idea what was happening with the claim.
- Caused an impact on their family's health.

Aviva said it thought it had made some errors in how its contractors had handled the claim, but it also said claims of this nature were very difficult to deal with. It said it would pay £750 compensation to Mr D and Ms D. It said it wasn't able to fully answer the complaint because the claim was still ongoing.

Mr D and Ms D remained unhappy and brought their complaint to this service.

Our investigator looked into the complaint and said he thought Aviva's offer of £750 compensation was fair and reasonable.

Mr D and Ms D didn't agree with the view. They said they thought Aviva had selected cheaper contractors to save money, who had potentially used unsafe chemicals to clean the house, and had made the mould problem worse. Because Mr D and Ms D didn't agree with the view, their complaint has been passed to me to make a final 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'd like to reassure all parties that I have read all of the information in the file, even if I haven't referred to it here. I've focused on what I think are the key areas of this complaint.

In this case, there has been a significant amount of correspondence, which has continued after our investigator's view. I think it will be helpful to state the situation at the time of writing:

- Mr D and Ms D are still living in the alternative accommodation and say they feel they are being "*forced into accepting Aviva's current plan of action*".
- They maintain Aviva's contractors made the mould contamination worse, which they say is based on information in the specialist reports.
- They refuse to pay to fix an area of contamination in one specific area in the house and maintain that it should be part of Aviva's cleaning approach.
- They say that Aviva continue to delay settlement of the claim.
- Aviva offered to settle Mr D and Ms D's claim by professionally cleaning the buildings and contents at a cost of about £35,000. It also said it would repair the damage it thought was caused by the water ingress, at a cost of about £3,000.
- Aviva said it didn't think there was a reason why Mr D and Ms D couldn't move back into the property once it had been cleaned, because their house was habitable. Aviva also say it won't cover any other elements of damage in the property it says were pre-existing, which Mr D and Ms D will need to arrange and pay for.
- Aviva alternatively offered to settle the claim with a cash settlement for Mr D and Ms

D to make the entire cleaning and repair arrangements themselves, or make a partial cash settlement using some of Aviva's contractors with Mr D and Ms D arranging the remainder.

Initial claim response

I can see from the evidence I have that Aviva's initial response to the claim was delayed. The contractors Aviva used made some errors and Aviva didn't respond effectively to Mr D and Ms D's concerns about their health as well as further concerns they had about a family member.

But I can also see that Aviva responded to Mr D and Ms D's concerns by changing the loss adjuster it had appointed. It agreed its service wasn't good enough, and that it would pay Mr D and Ms D £750 compensation for this.

I've thought carefully about this and I think the amount offered by Aviva is fair and reasonable and in line with what this service would recommend.

Report on the current situation in the house

I've read the latest specialist report provided by Aviva about the conditions in the house. The report includes a detailed, room by room analysis of the environmental conditions that exist throughout.

It seems to me that the report, which provides readings of the air quality together with samples taken by swabs from various surfaces, confirms that the house is clean and fit for habitation.

Mr D and Ms D have said that this report's findings "*do not match those previously provided by A or R*". But this latest report provided by Aviva goes into great depth beyond the earlier reports. It details that rodent droppings were found, along with DNA from dogs and other animals. What Mr D and Ms D have done is compare a very specialist report with an earlier one, which contains many caveats about examining its findings more closely.

Aviva was challenged by Mr D and Ms D to show that the house was clean and safe, and by engaging this specialist I think Aviva has reasonably done that.

There are points in the report that I can see Mr D and Ms D don't agree with, but I think Aviva has taken those into account when it's offered a settlement, and I'll talk about this below.

If Mr D and Ms D maintain that the property is unsafe, then I think it's reasonable for them to have provided evidence of this. It seems to me that Aviva have done the fair and reasonable thing by instructing this latest report, and without further evidence from Mr D and Ms D I am minded to agree with its findings.

Settlement of the claim

Aviva has said that it estimates the cost of repairing the water damage at around £3,000 and it has confirmed it would pay for this.

In an effort to settle the claim, Aviva has agreed to have Mr D and Ms D's contents removed from the property, professionally cleaned, and returned. Whilst the contents are out of the house, it has also agreed to clean the house internally.

This would seem a reasonable solution to the remaining points in the latest specialist report I've mentioned above and I think its offer to clean the house is fair and reasonable.

Mr D and Ms D have asked that Aviva provide a definitive confirmation that the house would be safe for them to return to, and a final clean after all works are complete. I understand what's been said by them about Ms D's vulnerability, but I think it's reasonable to say that a professional cleaning company should be able to clean the property to a suitable standard.

Having read Aviva's proposed settlement of the claim, which gives Mr D and Ms D three choices about how to proceed, it also seems to me that Aviva is acting fairly and reasonably.

I'd ask that both parties now work together to bring the claim to a swift conclusion.

My final decision

It's my final decision that I uphold this complaint.

Aviva Insurance UK Limited has already made offers to:

- Pay £750 to Mr D and Ms D to settle the complaint;
- Clean Mr D and Ms D's house and contents;
- Repair the damage caused by the water ingress.

I think these offers are fair and reasonable in all the circumstances.

So my decision is that Aviva Insurance UK Limited should pay £750 to Mr D and Ms D if it hasn't already done so and arrange for the cleaning and repairs to be done. But I don't require them to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Ms D to accept or reject my decision before 3 February 2023.

Richard Sowden
Ombudsman