

The complaint

Mrs and Mr B have complained about how Aviva Insurance Limited ('Aviva') handled their claim under their home insurance policy following accidental damage to their iPad.

For the avoidance of doubt, the term 'Aviva' includes Aviva's agents, suppliers and contractors in this decision letter.

What happened

Mrs and Mr B noticed a crack on the screen of their iPad but didn't know how this damage had occurred. They made an 'accidental damage' claim on their policy in May 2022. Aviva appointed agents to assess the damage and they concluded that the damage could be repaired by replacing the screen pack. The replacement was completed however it was stated that, as the screen was locked and no passcode supplied, only limited testing could be completed, and the iPad was returned to Mrs and Mr B.

In June 2022, Mrs and Mr B notified Aviva that their iPad wasn't working properly and that the home button and new screen were faulty. It was returned to the agents for assessment. Mrs and Mr B said that after several phone calls, Aviva confirmed that it couldn't get the part and deemed the iPad to be beyond economic repair and issued them with store vouchers to the value of the iPad. Mrs and Mr B duly sourced a replacement item and said they'd had it confirmed by Aviva that it was the same size and specification, but it transpired that it wasn't. The original pencil and case accessories were not compatible with the replacement and Mrs and Mr B therefore wanted Aviva to cover the accessories' costs of £180.

Aviva considered that the case and pencil were a consequential loss and not covered under the relevant policy and that if the damaged iPad was no longer manufactured, a replacement could only be provided on the basis of one currently available. Mrs and Mr B were unhappy with Aviva's response and referred their complaint to this service.

Our investigator's initial view was that Aviva hadn't acted unfairly in declining to cover the cost of accessories. He thought that Aviva was correct to say that there was no cover within the policy for the accessories. Following further investigation however, he was persuaded that Mrs and Mr B hadn't been treated in a fair and reasonable way and that Aviva should do more to rectify the situation. He concluded that Mrs and Mr B were informed by Aviva that settlement would be on a like for like for like basis. He also concluded that if it had been explained to them that the model would be different and hence their accessories incompatible, then they would have requested a cash settlement. Aviva didn't accept the investigator's view and the matter has therefore been referred to me to make a final decision in my role as Ombudsman.

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.

The question for me to determine is whether it was fair and reasonable for Aviva to decline to provide replacement accessories or to reimburse for replacement iPad accessories under

the terms and conditions of the relevant policy. I don't think it was fair and reasonable for Aviva to decline to cover the cost.

Mrs and Mr B explained that they were told that Aviva would contact them for a password when required, but they weren't contacted to provide it. When they returned the iPad for the second time, Aviva informed Mrs and Mr B that the part was no longer available and that a like for like replacement would be provided. They said that the vouchers were accepted on this basis. Mrs and Mr B said they could have got a like for like replacement for less than the cost of the vouchers but thought that Aviva took the most convenient option. If they'd been informed of the options, they said they would have taken a cash settlement and purchased the same iPad from another supplier. They felt they'd been treated unfairly and had borne the burden of the additional costs. They also considered that they'd received a poor service.

Aviva accepted that the repair had failed and had then deemed the item to be beyond economic repair. However, it said that it was Mrs B and Mrs B who selected the replacement iPad and neither it, nor its suppliers had selected it. It understood that Mrs and Mr B had purchased a newer model iPad, which was why the pen didn't work and the case didn't fit. Aviva said: *'The voucher is issued based on a like for like model replacement, but this doesn't mean insured has to purchase the same, it is a voucher so essentially they can purchase anything...'* It referred to the policy booklet under the heading of *'How much we will pay'* in relevant circumstances and said it had the option of carrying out a repair through approved suppliers or making a cash payment. It said the policy cover only related to the damaged item itself and not to any accessories that didn't match the replacement device. It regarded this as 'consequential loss' for which there was no cover.

I've considered all the evidence and what both Mrs and Mr B and Aviva have said about the matter. I'll start by saying that the aim in settling a valid insurance claim is to place the policyholder in the position they would have been in prior to damage. Mrs and Mr B found themselves without accessories that matched the replacement iPad. Having said this, there appears to be some confusion as to whether the original iPad was still being manufactured or was still available. The notes on Aviva's file indicate that the supplier believed that the same iPad remained available. This supports Mr and Mrs B's comment that they would have been able to source the same make as the original iPad with a different supplier. This would have avoided any issue with compatibility with the pen and case.

I consider that the confusion arose when Mrs and Mr B used the vouchers supplied by Aviva to buy a newer version of the iPad. It's for this reason that the original pen and case were no longer compatible. Aviva has stated that it had been Mrs and Mr B's choice to use their vouchers to buy the newer version. This conflicts with what Mrs and Mr B have said. They said that when Aviva had called to say it would replace the iPad, it said they could get it from the relevant store with a voucher for a specific value. Mrs B said that she asked the Aviva agent whether it was the same size and specification *'which she confirmed it was'*. I have not been supplied with a telephone record to confirm this conversation, however I've no reason to doubt Mrs B's understanding of the position. As Mrs and Mr B discovered they could have obtained a like for like replacement at a cheaper cost, I consider that had they been offered the option of a cash settlement, then they would have taken this option.

On the balance of probabilities, I also conclude that Aviva had led Mrs and Mr B to believe that it had identified the correct replacement, as the vouchers offered were for a very specific sum, which presumably matched the cost of the replacement which Mrs and Mr B proceeded to buy. I appreciate that Mrs and Mr B could have gone ahead with the purchase of whichever model they chose, however on balance I'm persuaded that they were led by Aviva's assurances. It's notable from their complaint form to this service in July 2022 that Mrs and Mr B were still hoping that it wasn't too late to return the replacement iPad to the store and to buy one which matched the original from another supplier.

I'm therefore satisfied on the balance of probabilities that Mrs and Mr B thought that the vouchers represented the price of a compatible replacement from Aviva's chosen store. It's unfortunate that a cash settlement wasn't offered to Mrs and Mr B as an option and it would then have been a matter for Mrs and Mr B to assure themselves that they purchased an iPad which remained compatible with their accessories

In conclusion, I don't consider that Aviva handled the claim in a fair and reasonable manner in all respects. It could have provided more support and assistance in settlement of their claim to ensure that they were placed back in the position they were before the damage occurred. I therefore consider that a fair and reasonable outcome is for Aviva to reimburse the cost of a pen and case which is compatible with Mrs and Mrs B's replacement iPad, which they have already explained would cost approximately £180.

My final decision

For the reasons given above, I uphold Mrs and Mr B's complaint and require Aviva Insurance Limited to reimburse Mrs and Mr B for the cost of replacement iPad pen and case within 28 days of the their acceptance of this Final Decision, following provision of a formal receipt or invoice for these items.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 23 January 2023.

Claire Jones
Ombudsman