

The complaint

Mr H and Mrs I has complained that Aviva Insurance Limited (Aviva) unfairly declined a claim under their home insurance policy.

As Mr H mainly dealt with the claim and complaint, for ease, I will normally only refer to him. References to Aviva include companies acting on its behalf.

What happened

Mr H found water damage to a wall in his bathroom and a wall in his bedroom. He contacted Aviva to make a claim. Aviva sent a surveyor and then declined the claim. It said the damage had been caused gradually and so wasn't covered by the policy.

When Mr H complained, Aviva maintained its decision to decline the claim. So, Mr H complained to this service. Our investigator upheld the complaint. He said the damage was the result of a water leak and that it was reasonable to accept that Mr H wasn't aware of the damage until he made the claim. As Mr H had already had work carried out to deal with the damage, our investigator said Aviva should consider the invoice and settle the damage covered by the claim. But this didn't include items such as a whole new bathroom suite. He said Aviva should also pay £150 compensation because of the way it had dealt with his claim and complaint.

Aviva replied to the investigator's findings and said it still thought it was reasonable to decline the claim. It also provided further comments from the loss adjuster, which included him saying part of the damage might reasonably be covered as part of the claim. Our investigator wrote to both parties and said his view hadn't changed about how the claim should be settled.

As Aviva didn't agree, the complaint was referred to me.

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 uphold this complaint. I will explain why.

The first issue is whether the claim was for something covered by the policy. When Mr H contacted Aviva, he was asked to arrange for a plumber to deal with the leak itself. The plumber said:

"There is significant water damage been caused by a leaking enclosed shower valve. The water from the valve has penetrated into both the bedroom and the floor of the En suite. Plasterboard in the bedroom will need to be removed, timbers dried out and then replaced. The shower unit will need to be removed along with tiles and plasterboard. There is damage to the chipboard flooring which has began to swell with the water intake, the chipboard flooring will need to be replaced for the majority of the bathroom which would mean taking

the toilet and basin out to do so. Flooring in the bedroom would need to be assessed when carpet is taken up. Bedroom will require to be taped and filled on completion and then decorated."

When Aviva's surveyor visited, he said:

"The location of the water damage and high moisture readings are all on the gable end wall and not beside the location of the shower valve. On closer inspection of the area the seals and grout appear to have failed allowing moisture to penetrate behind. This has been the root cause and not the shower valve. The damage to the wall out with the enclosure has been clearly visible and ongoing for at least 6 months. The customer would have been aware and should have mitigated the loss, however there has been no attempt to repair or resolve the leak and only contacted the insurers when he found further damage in the adjoining bedroom."

So, although the plumber said the damage was the result of a leaking valve, Aviva's surveyor didn't agree. However, following our investigator issuing his initial findings, Aviva's loss adjuster reassessed the claim and said:

"With the matter of the plumbing report for the leak to the shower valve – it may be considered that this is an isolated incident within the shower. This may be considered, however it would not be considered that all work was needed as a result of this given the condition of the tile grout and the shower seals which would be a contributing factor to the overall damage within the bathroom."

If you do wish to consider the damage from the valve leak, this should be maintained at the tile work only with removal and refitting of the cubicle. The other work would be strongly related to the maintenance of the shower area."

The loss adjuster seemed to accept there was a leak related to the shower valve, which he said might mean some of the work was covered. However, when Aviva passed the comments on to this service, it seemed to maintain its position that it was reasonable to decline the claim. I don't think that was fair or in line with what its loss adjuster concluded. I think the evidence shows Mr H had a valid claim under the policy.

So, I've also thought about the extent of the damage and whether any of it can fairly be declined as gradual damage. Even though the loss adjuster accepted that some of the damage seemed to be the result of a leak, he was also of the view that some of it was due to the condition of the tile grout and shower seals and that this had contributed to the damage. Looking at the surveyor's findings and the comments from the loss adjuster, I don't think either clearly explain what difference any issues with the seals and grout made to the claim overall or why this meant the wider damage shouldn't be covered. The plumber who inspected the damage about a month before Aviva's surveyor saw the damage said he found extensive damage that could be attributed to the leaking shower valve. I'm not persuaded that Aviva has shown that its findings are more compelling or should be relied on over those of the plumber. Based on what I've seen, I think it's fair to rely on the plumber's findings that the shower leak was the main cause of the wider damage.

I've then thought about whether Mr H should have been aware of the damage sooner than he was. The main damage that is disputed seems to have been in two places. One was to the wall in the bathroom and the other was to the corresponding part of the wall in the neighbouring bedroom. The damaged part of the wall in the bathroom had a laundry basket in front of it. The damaged wall in the bedroom had a chest of drawers in front of it. I wouldn't generally expect policyholders to be moving furniture on a regular basis without a particular

reason to do so. I think it is reasonable to accept that Mr H didn't see the damage building up behind those items until he moved one of them and found an issue.

I've also thought about whether the signs of damp in the bathroom, including close to the laundry basket, meant Mr H should have been aware. Mr H said he knew the paint used in the bathroom wasn't designed for that environment and had thought that the general moisture in the bathroom had caused issues, such as some fading. Thinking about this, I think that is credible and provides a reasonable explanation for why he didn't realise there was potentially a wider issue. So, on that basis, I think Aviva needs to deal with the damage found.

I'm aware that Mr H has already had the work carried out. He has provided a quote or invoice for the work. This seems to include work such as replacing some items of the bathroom suite. Although it appears to have been necessary to remove some of these items to carry out the repair work, I would normally expect such items to be refitted wherever possible unless there was a clear reason why they couldn't be refitted, such as they were damaged and needed to be replaced as part of the claim. So, although I think Aviva needs to be pay for the work that was necessary to deal with the damage and that what Mr H has provided is a helpful basis for deciding this, I think it is reasonable for Aviva to consider which aspects of the work were necessary parts of repairing the damage. Aviva should then pay a cash settlement to cover those costs.

I've also thought about compensation. I can see that Mr H and Mrs I were caused distress and inconvenience by the claim being unfairly declined. Aviva also didn't respond to some of Mr H's queries, including his request to see the surveyor's report. As a result, I think Aviva should pay Mr H and Mrs I £150 compensation.

Putting things right

Aviva should settle the claim and review the costs Mr H and Mrs I have paid in order to agree a cash settlement. Aviva should also pay £150 compensation.

My final decision

For the reasons I have given, it is my final decision that this complaint is upheld. I require Aviva Insurance Limited to:

- Settle the claim.
- Review the costs Mr H and Mrs I paid to have the damage repaired and to pay a cash settlement for the items that were covered by the claim.
- Pay £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs I to accept or reject my decision before 17 January 2023.

Louise O'Sullivan
Ombudsman