

The complaint

Mrs C and Mr T complain about the way that Aviva Insurance Limited dealt with his insurance claim for malicious damage to his property. The claim itself was dealt with by loss adjusters though for convenience I shall refer to Aviva throughout.

What happened

Mrs C and Mr T are the tenants of their property. In May 2021 while they were in the house a brick was thrown through the lounge window, breaking it, and causing internal damage to a downstairs bathroom. The following day another object was thrown through an upstairs window, causing more damage.

Mr T reported a claim to Aviva in July 2021. Aviva appointed loss adjusters to consider the claim. A witness statement was taken from Mr T and he supplied quotes for damage to the blinds and items in the bathroom.

There was then some delay by the loss adjusters. A report was drawn up and in late September Mr T was written to advising him that in respect of the bathroom fittings, as the policy was for contents only, Aviva could only pay out if he had paid the cost of those items himself. With regard to the rest of the claim Aviva said that in light of a quote for the blinds supplied by Mr T predating the incident, it considered Mr T's actions to be a breach of the fraud conditions of the policy. The claim was declined and later Aviva advised Mr T that it would be cancelling the policy.

In November 2021 Aviva issued a final response to Mr T's complaint advising that it felt that the delays were justified. However in respect of the repudiation of the claim, it had asked its loss adjusters to look at this again. It said it would reinstate the policy.

The said letter was sent both by recorded delivery and ordinary post, unfortunately by mistake to the wrong address (the next door neighbour). When Aviva became aware of this it told the neighbour to destroy the letters. The neighbour said they hadn't opened the letters and provided photos of the unopened letters.

Mr T complained to the Financial Ombudsman Service in January 2022. He didn't accept the explanation for the misaddressed letters. He also added that the way the claim had been handled had caused extreme stress to him and his mother, who had recently been admitted to hospital with a heart attack which he said was caused by the stress.

In February 2022 Aviva said it would be moving to settle the claim for the contents items.

Our Investigator reviewed the handling of the claim and said that Aviva had wrongly accused Mr T of fraud. For this and the stress caused she proposed that Aviva pay £100 compensation. She further said for the delays in processing the claim, Aviva should pay £50 compensation. In respect of the misaddressed letter she proposed that Aviva pay a further £100 compensation. This was a total of £250.

Aviva accepted the Investigator's view.

Mr T remained unhappy with the way the misaddressed letters had been handled, and asked for a decision by an Ombudsman.

The matter has been passed to me for further consideration.

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.

accusation of fraud/ cancellation of the policy

To accuse a consumer of fraud is a serious matter. So the Insurer would need to produce clear evidence that fraud has been committed, if the consumer was attempting to claim for something they weren't entitled to or had exaggerated the claim.

Here Mr T produced a quote from a blind supplier which predated the claim and concerned an earlier claim on the policy. So the loss adjusters made the assumption that Mr T was attempting to use that quote to justify the pay-out here. They took a witness statement from Mr T where he explained it was a mistake. He had also contacted the blind supplier to set up an appointment, and provided photos of the damage. Because of the Covid 19 situation at the time the loss adjusters couldn't carry out a site visit.

I think Aviva was right to overturn the loss adjusters' view that fraud had been committed. I don't think the evidence was persuasive enough to show that. I can understand that this caused Mr T and Mrs C stress.

I've also reviewed the medical evidence concerning Mrs C. I'm sorry to see that she has been so unwell. But I can't say the evidence shows that her illness is directly linked to the way the claim was handled. I acknowledge the stress caused to both her and Mr T, and I can well understand the shock of the way their house was damaged.

But in terms of the way the claim was handled, I think Aviva rectified its mistake within a few weeks and agreed payment for the claim soon after that. So I think the £100 compensation proposed for this is fair and reasonable.

delay

After the claim was made, a witness statement drawn up, although the loss adjuster drew up a report the case didn't progress from early August until the end of September 2022, with Mr T sending email reminders in the meantime. While appreciating that the case did need careful investigation, the reporting loss adjuster had formed a view on it by 9 August, so it was effectively delayed by about six weeks. I've noted the Investigator's proposal that Mr T be paid £50 compensation in respect of this, which I think is reasonable.

sending letters to the wrong address

Aviva sent two letters to a wrong address at the same time, one by recorded delivery. Aviva said that the neighbour who received the letters contacted it. I can see from the photos of the unopened letters that the business name was clearly on the outside of the letter and the recorded delivery slip had a reference on it.

While I appreciate that Mr T doubts the story, I don't think there is anything else that I can ask Aviva to do. I haven't seen or heard of any evidence that the neighbour read the contents of the letters. I think in the circumstances Aviva did the right thing in asking the

neighbour to destroy the letters. I understand it had no guarantee that this was done, but I have to look at the situation as it is – it would have been upsetting for Mr T and Mrs C to be told the letter with personal information had been sent to the wrong address. But I can't award compensation for what might have happened or what the neighbour might have done. So in the circumstances I think the compensation of £100 proposed for this is reasonable.

I understand Mr T still wants to pursue Aviva for a breach of the Data Protection Act. I should emphasise that although I can look at the circumstances and award compensation, I can't make finding of a breach of the Data Protection Act. If Mr T wants to pursue this, he should get in contact with the Information Commissioner's Office.

Putting things right

I require Aviva to pay Mrs C and Mr T a total of £250 compensation. If it has already paid this it doesn't need to take any further action.

My final decision

I uphold the complaint and require Aviva Insurance Limited to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr T to accept or reject my decision before 19 April 2023.

Ray Lawley
Ombudsman