

The complaint

Mrs C complains about Aviva Insurance Limited's handling of a claim made under a block building insurance policy.

What happened

Mrs C is a leaseholder of a property that has a block building insurance policy. Mrs C isn't the policyholder, but the policy was taken out in part for her benefit.

Following a storm, rainwater entered the property and all the residents needed to vacate their apartments, including Mrs C. She moved into alternative accommodation whilst repairs were carried out to the property, before returning home.

Mrs C later complained to Aviva about its handling of the matter, via her representative. In particular, she was unhappy about the alternative accommodation arrangements and the reinstallation of her existing kitchen.

Aviva said it had tried to arrange alternative accommodation for Mrs C. It noted there had been around ten nights where Mrs C hadn't been in alternative accommodation, and so it offered to pay her disturbance allowance of £15 for each day. Aviva said there was no evidence of water damage to Mrs C's kitchen, and that it understood Mrs C had accepted this previously. Finally, Aviva said it had reimbursed Mrs C for all costs associated with the claim, but if she thought there were any other costs which hadn't been reimbursed, then it would consider any further invoices provided.

Unhappy with Aviva's response, Mrs C's representative brought a complaint to this Service on her behalf.

Our investigator didn't recommend the complaint be upheld. She thought the disturbance allowance offered by Aviva was reasonable. She noted Mrs C had been offered like-for-like accommodation by Aviva, but had chosen different accommodation. The investigator said there was no evidence that Mrs C's kitchen had been damaged by the storm, and thought any issues with regards to the reinstallation of the kitchen should be directed to the policyholder's contractor/loss assessor.

Mrs C's representative didn't accept our investigator's findings. He said the need for the kitchen to be removed and reinstalled was directly linked to the storm. The matter has therefore been passed to me for a 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've only provided a very brief summary above of what happened, but I'd like to reassure Mrs C's representative that I've read his submissions in full.

Alternative accommodation

Mrs C's representative hasn't disputed the investigator's findings in respect of the alternative accommodation, but for completeness, I've considered this.

Emergency accommodation was initially arranged for all the residents, however Mrs C was unhappy with the proposed hotel because she had a pet. An alternative was found, but Mrs C turned this down. She then self-funded her accommodation elsewhere, though this did involve her needing to move a number of times to different short-stay options. That of course was up to Mrs C, but I'm satisfied emergency accommodation was available to Mrs C through Aviva if she wanted it. I therefore don't require Aviva to reimburse Mrs C for any interest charges on her credit card.

There were a number of nights where Mrs C had to stay with family and didn't pay for alternative accommodation. Aviva offered to pay her £15 a day disturbance allowance for this, which I find to be appropriate. Aviva initially thought there were ten days where Mrs C had stayed with family which Mrs C didn't dispute. Though after bringing the complaint to this Service, her representative said Mrs C stayed with family for 14 days, which Aviva has accepted (though this hasn't yet been paid).

Longer term rentals were then arranged for the residents. Mrs C turned down the options provided by Aviva's agent. I understand Mrs C found some properties herself and put these to Aviva as possible options, but Aviva says those properties wouldn't accept its agent's invoicing requirements so they couldn't be agreed. Mrs C did then find an alternative property, but as this was not comparable to her insured property, Aviva only agreed to contribute a monthly payment that was for like-for-like accommodation.

I would expect an insurer to cover the reasonable cost of alternative accommodation when an insured's home becomes uninhabitable. That would be a similar type of property to the property insured. Whilst I haven't seen details of the property Mrs C moved into, her representative doesn't seem to dispute that it wasn't a like-for-like property. I find it was reasonable for Aviva to contribute the amount it would have paid for similar alternative accommodation. I understand that Mrs C's contents insurer contributed to her alternative accommodation costs, so she didn't need to pay the full remaining amount herself.

Kitchen

The repairs to the property, including the removal and reinstatement of the kitchen, were carried out by a contractor acting on behalf of the policyholder. As Aviva did not arrange for its own contractor to carry out the repairs, that means it was not responsible for the standard of the repairs that were carried out. Any concerns about this would need to be directed to the policyholder's contractor.

Mrs C's representative has asked me to look into how the policyholder's loss assessor and contractor were appointed, but it is not for me to do this. That decision was taken by the policyholder, and so if Mrs C's representative would like more information about this, I would suggest he contacts the policyholder directly.

Mrs C's representative says there's damage to the kitchen and it shouldn't have been reinstated. I understand the contractor initially didn't intend to reinstate the existing kitchen, but it was later reinstated. The policyholder's loss assessor said it had been agreed with Aviva's loss adjuster that there was no damage to the kitchen, and it didn't require replacement.

It seems to me that responsibility for this decision lay with the policyholder's loss adjuster/contractor. Aviva didn't prepare the schedule of works, and only approved this (as I'd expect, before agreeing to make any payments for the repairs). I see that Aviva's loss adjuster was under the impression that the kitchen was undamaged, and so I can understand why they would have agreed for this to be reinstated. But ultimately, the repairs were carried out by the policyholder's contractor, and so they were responsible for the quality of those repairs.

Though having said that, I haven't seen any evidence that the kitchen was damaged by the storm and therefore shouldn't have been reinstated. It seems the issues relate to the quality of the reinstallation. Mrs C's representative has provided photos of some problems with the kitchen (such as doors not sitting flush) as well as an independent report (from a joinery and furniture manufacturer and installation company) which said the installation was to a poor standard. I understand the contractor has corrected some outstanding snagging issues, but if further issues remain, these should be raised with the contractor who carried out the repairs.

Mrs C's representative has argued that the reinstatement of the kitchen has voided the warranty from the original kitchen supplier (the kitchen was fairly new). I haven't seen any evidence that this is the case, though even if it were, this isn't something that is covered under the policy.

Aviva had previously offered Mrs C an ex-gratia payment of £1,000 for the potential loss of warranty, though it was made clear this was offered outside the terms of the policy and that it was a time-sensitive offer. Mrs C chose not to accept this offer, which was of course up to her. I understand that offer has now been withdrawn. Since this offer was made outside the terms of the policy, I see no reason to require Aviva to pay this.

Other issues

Mrs C's representative has also complained about the time taken to get responses, and that he sometimes didn't get a response at all. I note that a number of parties were involved in the claim, including the policyholder's surveyor, contractor and loss assessor, as well as Aviva and their loss adjuster. I can only consider what happened with Aviva and its agents, and I haven't seen that there were any significant delays in responding to Mrs C's representative.

Mrs C's representative has raised concerns about Mrs C's apartment being occupied by the contractor without her knowledge, and that the contents of the apartment were placed into an unknown storage facility and without an itinerary being done. I think these should concerns should be directed to the policyholder's contractor/loss assessor rather than Aviva.

Before the complaint was brought to this Service, Aviva had offered to consider any further invoices which I think was reasonable. I see that our investigator forwarded Aviva some invoices sent to her by Mrs C's representative, to see if these had been paid. Not all of them had been, and so Aviva offered to pay some of these. If Mrs C has any concerns about Aviva's offer in respect of the actual amounts, she should raise this with Aviva as a new complaint.

My final decision

My final decision is that Aviva should pay £15 disturbance allowance for each night that Mrs C stayed with family. As both parties accept this was 14 nights, this would be £210 in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 6 November 2023.

Chantelle Hurn-Ryan
Ombudsman