

The complaint

Ms B is unhappy with how Aviva Insurance Limited has recorded a claim made under her home insurance policy.

What happened

The background to this complaint is well known to Ms B and Aviva and has been ongoing for a long period of time.

Ms B made a claim under her home insurance policy in 2020. She has said she was initially told the claim would cost around £2,000 minus her policy excess. As of 14 February 2023 the total claim costs had increased to over £100,000.

Ms B made a complaint to Aviva as she believes that the cost of the claim on the relevant claims underwriting exchange database ('CUE') should be recorded at the lower figure that she was told near the start of the claims process.

Aviva responded to the complaint on 14 February 2023. They didn't uphold it. Aviva say the initial cost (£1,972.02 minus the excess) was estimated prior to a full investigation into the property, including trace and access works. Further investigation revealed further leaks and damage. Aviva said up until their final response letter, a total of £93,310.09 had been paid to Ms B, with the largest amount being for £91,750.09 in December 2021. The remainder of the cost related to Aviva's suppliers and contactors.

As Ms B remained unhappy, she referred her complaint to our Service for an independent review. Our Investigator considered the complaint but didn't recommend that it be upheld. Ms B didn't accept the Investigator's findings and the complainants has been referred to me for 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

The scope of my decision

It's important that I'm clear my decision will only be considering what was addressed by the final response letter dated 14 February 2023 and later referred to our Service for investigation.

The final response letter stated:

"I am aware you were unhappy that you were told at the start of your claim under reference [redacted by Ombudsman] that the claim cost would be in the region of £1,972.02 less your policy excess. You are now unhappy to find the Claims cost to date is £103,751.24, and you want the claims cost recorded to be reduced to £1,972.02."

This is important because this overall claim dispute between Ms B and Aviva has been long running. Ms B has also had previous complaints investigated by our Service – which I can't revisit.

My decision will not be making any findings on how or why the claim costs have increased or how Aviva have dealt with the claim. I've carefully considered all of the extensive evidence in this complaint and I'm satisfied our Investigator has previously made it clear what this complaint is considering. Our Investigator also confirmed this in an email to Ms B on 2 February 2024: *"...the complaint I investigated relates solely to your unhappiness with how the claim value has been recorded on CUE."*

Should Ms B have other points of dissatisfaction - for example she's referenced in phone calls Aviva's decision to not pursue third parties for their claim outlay costs, she first needs to raise those points with Aviva before our Service can investigate.

I also understand that Ms B has taken legal action against Aviva with regards to other elements of this claim. Having reviewed the relevant legal papers, I'm comfortable that the narrow scope of my decision (the claim record on CUE) doesn't interfere or overlap with those matters on which legal proceedings have begun.

How the claim has been recorded

Aviva and most other UK based insurers have signed up to CUE. Its' intention is to keep records of certain classes of insurance claims in an external database, accessible to other insurers. The primary function of CUE is to help the fight against insurance fraud.

When Aviva signed up to CUE, they undertook a responsibility to accurately report claims and related information. This is to ensure the reliability of the data. If insurers don't provide accurate data, the database is worthless.

In Ms B's case, she's unhappy with the data reported by Aviva in relation to this claim. But having carefully considered the evidence, I'm satisfied that Aviva have treated Ms B fairly when reporting the claim information to CUE. Ms B may dispute how the claim outlay increased to much higher than initially expected – which I'm not considering, but I'm satisfied that Aviva have accurately reported that this claim outlay was over £100,000. They've provided screenshots of what they've reported and I'm satisfied it's a fair reflection of the claim settlement.

Whilst not making a finding solely in relation to *why* the claim costs rose, I can generally say that it's not uncommon or unexpected in home insurance claims that the initial, estimated claim costs/scope of works can dramatically increase once full investigation works commence and other issues are identified.

Aviva haven't currently recouped their claim outlay from any responsible third party. Therefore, I don't find that they've inaccurately reported the claim outlay on CUE.

As I've not found that Aviva have done anything wrong when reporting this data to CUE, I've not gone to consider the financial impact (higher premiums) that Ms B has described.

Aviva have also told us: *"If all claims settlement received in respect of outlays the claim would show a recovery and this would show on CUE."* I'm not suggesting that Ms B consider repaying her claim settlement - but I wanted to make her aware of this.

Summary

Ms B received a benefit under this policy and Aviva can fairly record this on CUE.

I appreciate my decision will disappoint Ms B, but it brings to an end our Service's involvement in trying to resolve this element of her dispute with Aviva. As outlined, legal action is ongoing with regards to other aspects of the disputed claim.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 14 March 2024.

Daniel O'Shea
Ombudsman