

The complaint

Mr S complains about Aviva Insurance Limited (“Aviva”) and the damage caused to his kitchen appliances following a claim he made on his buildings insurance policy.

I recognise that Mrs S has also been liaising with Aviva and our service during the claim and complaint process. But as Mr S was the sole policy holder at the time of the event that led to the claim on the policy, he is the eligible complainant in this situation. So, I will refer to any comments made, or actions taken, by either Mr S or Mrs S as “Mr S” throughout my decision.

What happened

In late 2021, Mr S made a claim on his building insurance policy, underwritten by Aviva, following an escape of water that had significantly damaged his home. Due to the extent of the damage, Mr S and his family had to leave the property entirely. And his kitchen, including the appliances, needed to be stripped out for the repair works to be undertaken. Following some discussion, Aviva agreed in early 2022 for these appliances to be placed into storage away from the property, rather than kept in the property itself.

These appliances were returned to Mr S in April 2023. But he was unhappy with the condition they were in when they returned. So, he raised a complaint.

Mr S didn’t think the appliances had been stored correctly by the business instructed to store them, who I’ll refer to as “R”. And because of this, and the damage present on them, he didn’t think they were able to be used and so, he wanted Aviva to cover the costs he incurred, or would incur, replacing them.

Aviva responded to the complaint and didn’t uphold it. They explained that, as all the appliances other than the cooker hood were free standing, they would be covered under a contents policy, rather than the buildings policy they provided. But even so, they accepted they had been stored to ensure the repair work they covered under the policy could be completed. And Aviva were satisfied the appliances were stored satisfactorily. But to recognise Mr S’ concerns, they offered to arrange for the appliances to be professionally cleaned, subject Mr S’ agreement. Mr S remained unhappy with this response, so he referred his complaint to us.

Our investigator looked into the complaint and upheld it. Initially, they recommended Aviva pay Mr S what it would cost them to replace the fridge freezer, cooker and cooker hood. But after considering additional information, they changed this to a £300 compensatory payment only.

This was because they had reviewed images that showed the condition of the appliances before they were collected, as well as an agreement Mr S took out with a kitchen supplier which showed he had agreed to purchase a new cooker and cooker hood before the appliances had been returned. So, they thought the £300 payment was a fair one to recognise scratches they felt were likely to have been caused by R’s attempts to clean the appliances as part of the return process.

Aviva agreed with this recommendation. But Mr S didn't. He didn't think his decision to purchase a new kitchen should impact the fact he felt the appliances had been returned with additional damage he didn't think was present before they were collected. He maintained his view that R wasn't a proper storage facility, and he provided an invoice to show a replacement fridge freezer was purchased in September 2023, separately to the replacement kitchen with in-built appliances he'd agreed to earlier that year. Mr S made clear the costs he'd incurred to replace the appliances and why he didn't think the £300 payment fairly considered these. So, he wanted this amount to be increased.

Our investigator considered Mr S' comments, but their view remained unchanged. Mr S continued to disagree and so, the complaint has 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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached this decision, I think it would be useful for me to explain what I've been able to consider, and how. This decision focuses solely on Mr S' concerns regarding his kitchen appliances, and their condition after they had been stored by R, who were acting as an agent of Aviva. So, Aviva ultimately remain responsible for the actions of R.

But it's important to note Aviva only provided Mr S with a buildings insurance policy. And as the majority of the appliances were freestanding, they would usually be covered under a separate contents insurance policy, if Mr S held one with another insurer. So, I don't think Mr S is able to claim for the costs of these items under the terms of the insurance Aviva provided.

But I would still expect Aviva to take reasonable steps to ensure any appliances stripped out and removed from the property to allow them to complete the repair work required to the buildings insurance claim were handled safely, and appropriately. So, this is what I've considered.

I note Mr S raised concerns about the mould found in both his dishwasher and washing machine. But, similar to our investigator, I don't think I've been provided with any evidence to show this mould growth was caused by the way R stored them. This is because the appliances were likely to have had standing water within them when taken into storage, because they are cleaning appliances that use water as part of their standard cycles. And as they were in storage for over a year without being used, I think it's reasonable to expect this standing water to have created damp or mould, and I don't think R could've done anything to prevent this. So, I don't think Aviva need to do anything more regarding these appliances.

I've then turned to the remaining three appliances in dispute, which are the cooker, cooker hood and fridge freezer. And again, for me to hold Aviva responsible for any damage to these, I'd need to be satisfied based on the evidence I have available to me that R stored these items in such a way that damage was caused to them that wasn't present at the time of collection.

And to do this, I've considered the images of these appliances both before, and after, they

were stored and returned. And having done so, I think it's clear the appliances were collected in a heavily used condition, which I would expect considering their age and the fact they formed part of a family kitchen. And because these items went into storage in this condition, I do think this is likely to have impacted the condition of them after more than a year of storage without use.

But even so, having reviewed the images of the fridge freezer in particular, I do think there appears to be scratches, and damage to the fridge freezer base, which I can't see were present at the time of collection. So, I do think there has likely be some additional damage caused during the collection, storage and return process. And I do think Aviva are responsible for this. So, I do think Aviva have acted unfairly here and because of this, I've then turned to what I think Aviva should do to put things right.

Putting things right

When thinking about what Aviva should do to put things right, any award or direction I make is intended to place Mr S back in the position he would've been in, had they acted fairly in the first instance. And crucially, it shouldn't place Mr S in a position of betterment, as we are an independent organisation that must remain fair to both parties.

In this situation, I've seen an agreement between Mr S and a kitchen provider that shows before the appliances were returned to him, he'd already agreed to purchase a new kitchen with integrated appliances that included a new cooker, and cooker hood. So, I think Mr S would always have incurred the cost of replacing these appliances, whether or not they were returned with damage caused by the storage process. Because of this, I don't think I can say Aviva's actions, or the actions of their agent R, has caused a financial loss to Mr S for these items and so, I don't think it would be fair for me to say Aviva should pay Mr S for these in full, or in part.

I recognise Mr S doesn't agree with this and he's suggested he knew before the appliances return that they were damaged, and this is why he explored a replacement kitchen. But if Mr S was aware of damage before the appliances were returned, I'd expect him to make Aviva aware of this and complain about it. While I can see he asked for these appliances to move into storage, I can't see correspondence to show Mr S then knew they had been damaged while being stored. And I can't see Mr S visited the appliances while they were in storage so, I don't think I can say, on the balance of probabilities, that Mr S did know this or that this influenced his decision to purchase a new kitchen. So, this argument hasn't impacted the decision I've reached here.

But I can see the fridge freezer didn't form part of this agreement. And I can see Mr S did purchase a new fridge freezer in September 2023, at a significant expense.

Having reviewed the images supplied by both parties regarding the fridge freezer, I think it's most likely that additional scratches were caused to the appliance, likely during the cleaning of it before it's return. So, I do think Mr S should be compensated for this. But I think this compensation must appropriately reflect the fact these scratches were cosmetic and didn't impact the actual functionality of the fridge freezer itself. And I think it should also reflect the fact that, from the images I've seen, the fridge was cleaned to remove any mould that had grown, and the fact that when the fridge was collected it contained food debris that likely contributed to this mould growth in the first place.

When all the above is considered, alongside Aviva's offer to pay for a professional clean of the fridge freezer, I don't think I'm able to say that Mr S had no choice but to purchase a new fridge freezer. And I don't think it would be fair for me to say Aviva should cover the cost of this, as it would be placing Mr S in a position of betterment as he'd receive a new fridge

freezer free of charge, when I do think his original fridge freezer was still functional.

I note our investigator recommended £300 compensation be paid by Aviva to recognise the scratches caused to the appliances above, considering all the above. And having considered this payment, I think it is a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward.

I think it fairly recognises the frustration and annoyance Mr S would've felt when he noticed additional scratches were present on his cooker hood, cooker and fridge freezer. But I think it also fairly reflects the fact Mr S was always going to incur the costs to replace the cooker and cooker hood as part of his new kitchen he'd chosen to pay before their return. And, that the fridge freezer was functional, and that Aviva had already offered to pay for another professional clean but Mr S himself chose to purchase a new fridge freezer instead. While I recognise why he chose this option, I have no evidence to show this was his only option here, or that the fridge freezer was no longer working at all. So, the £300 payment is one I'm directing Aviva to pay.

My final decision

For the reasons outlined above, I uphold Mr S' complaint about Aviva Insurance Limited and I direct them to take the following action:

- Pay Mr S £300 to recognise the frustration and annoyance he's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 March 2024.

Josh Haskey
Ombudsman