

The complaint

Mr B and Miss L complain about how Aviva Insurance Limited (Aviva) handled a claim under their home insurance policy for trace and access costs following damage to their property.

Aviva use agents to administer the policy and to assess claims. Reference to Aviva includes these agents.

This decision covers Mr B and Miss L's complaint about Aviva's settlement offer for the costs of damage caused by trace and access to identify the source of a leak at their property. It doesn't cover Aviva's decision to decline their claim for the cost of repairing the damage caused by the leak, which was the subject of a previous, separate complaint to this Service and a decision issued in January 2023. That decision didn't uphold the complaint but included an observation from the ombudsman they expected Aviva to repair the wall damaged to carry out trace and access..

What happened

The following is a summary of what happened in this case, as context for Mr B and Miss L's current complaint.

In January 2022 Mr B and Miss L contacted Aviva to tell them about damage to their property from a leak. Aviva's home emergency team attended the property and to identify the source of the leak (trace and access) cut a hole in the bedroom wall adjoining the bathroom, finding mould behind the wall. They advised the issue with the leak was the failure of sealant around a shower. Aviva considered this a maintenance issue, not covered under the policy, so they declined the claim for the damage from the leak.

Regarding the damage caused by trace and access to identify the cause of the leak, Mr B and Miss L subsequently provided an estimate from a contractor to fix the damage to two walls that had been opened up (the bedroom and adjoining bathroom). The estimate totalled £8,500 but included what Aviva considered renovation of the bathroom (£7,500) so wouldn't be covered under the trace and access section of the policy. Aviva offered £1,500 towards the cost of repairing the trace and access damage, less the policy excess of £450 (a net settlement of £1,050).

Unhappy at Aviva's settlement offer, Mr B and Miss L complained. They said the offer wasn't sufficient to repair the two holes in the bedroom and bathroom walls made by the home emergency team as part of their trace and access to identify the source of the leak. The quote they'd provided made it clear that to repair the holes required removing the bath and the flooring in the bedroom. The wording of the trace and access section of the policy also indicated it would cover the reasonable cost of removing other parts of the building necessary to find the source of the leak and making good after the leak had been fixed. They wanted Aviva to reconsider their settlement offer.

Aviva didn't uphold the complaint. In their final response they said the estimate from J included a statement the trace and access element was £1,500. That element would be subject to the applicable policy excess, £450, making a net settlement of £1,050. Trace and

Access cover under the policy would include the reasonable cost of removing any other part of the property to find the source of the leak and making good after the leak had been fixed. Aviva said they were covering the cost of damage caused during repair of the leak by the home emergency team as trace and access. They wouldn't cover the damage or removals needed when repairing the same damage as part of the claim they'd previously declined.

Mr B and Miss L then complained to this Service, saying Aviva had unfairly refused to cover the estimated cost of repairing the wall. In breaking into the wall on the bedroom side a hole had also been made on the bathroom side. But to repair the hole on the bathroom side would require access to the wall, involving removal of the bath and consequently the tiles attached to it. They'd been left with a large hole in their wall with mould inside. The situation was affecting their physical and mental health. They wanted Aviva to cover the cost of restoring the walls to their original condition.

Our investigator didn't uphold the complaint. The quote of £8,500 provided by Mr B and Miss L to carry out repairs would equate to Aviva paying for the escape of water repairs they'd previously declined. The investigator thought Aviva's offer of £1,500 was fair as it covered the cost of the repair to the bedroom wall. But the quote for the bathroom side appeared excessive, as it covered removing and refitting the bath, tiling, fittings and redecoration, which were declined under the escape of water claim. If Mr B and Miss L could provide a quote simply for making good/repairing the hole in the bathroom wall, they could provide it to Aviva for them to consider.

Mr B and Miss L disagreed with the investigator's revised conclusions and asked that an ombudsman review the complaint. In disagreeing, they said Aviva told them they would cover the cost of repairing the hole in the [bedroom] wall. Based on this, they'd agreed for the wall to be broken to determine the cause of the leak. Aviva's home emergency team had broken both the bedroom wall and the adjoining bathroom wall, without their permission for the latter. To repair the wall on the bathroom side required the removal of the bath. They weren't seeking to renovate the bathroom. They also provided a further, detailed quote for the work from a second contractor, totalling £17,004. To remove the bath to access the hole in the bathroom wall would require the removal of the tiling and everything placed on them, including plumbing, sink unit, radiator and door architrave.

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.

My role here is to decide whether Aviva have acted fairly towards Mr B and Miss L.

The main element of Mr B and Miss L's complaint is they don't consider Aviva's settlement offer to cover the repair of the damage caused by trace and access to be fair, as it is significantly less than the [first] estimate from their contractor. They say additional work is needed to allow access to the walls and repair the holes, including removal and reinstatement of the bath and tiles. Aviva say the latter work isn't covered under the trace and access section of the policy and would be covering damage they've already declined under the earlier claim for damage from the leak.

Given the main issue is the estimated cost of repairing damage from trace and access, I've first looked at what the policy provides for. The Policy terms and conditions, under the *What is covered* part of the *Buildings* section states the following:

"Trace and Access

If you are claiming for loss or damage to the buildings caused by water or fuel escaping from water tanks, pipes, equipment or fixed heating systems in the home we will also pay the reasonable cost of removing any other part of the buildings necessary to find the source of the leak and making good after the leak's been fixed."

'Reasonable cost' is defined in the policy as "costs for goods and services which are competitive in the relevant marketplace."

The issue therefore becomes one of whether the estimates provided by Mr B and Miss L are reasonable costs of repairing the damage (the holes) made by the home emergency team when finding the cause of the leak.

Aviva's settlement offer was based on the first quote provided by Mr B and Miss L. Looking at the quote it is split into two sections. The first is headed *bathroom renovation after water damage* and lists various pieces of work, including removing the bath, tiles, taps, pipe works and then retiling the walls, reinstalling the bath and pipe work and applying new sealant. The cost of this element is £7,000.

From this description, this suggests the removal and reinstatement of what could reasonably be seen as most of the bathroom (it's not clear whether the floor is included within 'tiles'). It isn't obviously repairing a hole in the wall. It is also the majority of the overall quote of £8,500. Thinking about this, I'm not persuaded it's reasonable to ask Aviva to cover this cost as trace and access, particularly as they declined the earlier claim for the damage caused by the leak (which our previous decision concluded was reasonable).

The second section is headed *Room renovation after water damage* but includes items of work such as removal of existing plaster and ply sheets, refitting plaster and ply sheets, replastering newly fitted sheets and redecoration. From this description, I think it reasonable to conclude these are properly items that could be considered to fall under trace and access to repair the hole(s) in the bedroom and bathroom walls.

As Aviva based their settlement offer on this element of the quote and given what I've said about the work in the first section of the quote, I think they made a fair and reasonable offer based on the quote provided by Mr B and Miss L in support of their claim.

The second quote, provided in response to our investigator's view, sets out a more detailed schedule of work, but again involves the removal of most of the bathroom and replacement (not simply refitting) of the bath, vanity unit, towel rail and other fittings. I don't think this is either proportionate or reasonable as it amounts to refitting the bathroom suite, not simply repairing the hole in the wall. Not am I persuaded the bathroom needs to be refitted simply to enable access to the hole in the wall, which as I understand it was made through the hole in the bedroom wall.

Taking all these points together, I've concluded Aviva have acted fairly and reasonably in their settlement offer for repair of trace and access damage, so I won't be asking them to do any more.

My final decision

For the reasons set out above, it's my final decision not to uphold Mr B and Miss L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Miss L to accept or reject my decision before 21 May 2024.

Paul King
Ombudsman