

The complaint

Mr P complains about Aviva Insurance Limited's handling of his home insurance claim.

Aviva is the underwriter of this policy i.e. the insurer. Part of this complaint concerns the actions of its agents. As Aviva has accepted it is accountable for the actions of the agents, in my decision, any reference to Aviva includes the actions of the agents.

What happened

In December 2022, Mr P made a claim under his home insurance policy with Aviva after an escape of water caused extensive damage to his house.

Aviva arranged for a loss adjuster to deal with the claim. Mr P and his wife moved into alternative accommodation while the drying and reinstatement works were carried out. The reinstatement works began in April 2023 and were expected to take around ten weeks to be completed.

Mr P raised a number of concerns about the quality of the reinstatement works and further damage caused by tradesmen while the works were being carried out. Aviva considered the majority of the works to have been completed by mid-June and the property was ready to be handed back to Mr P. However, it agreed that there were around thirty issues that needed to be rectified which it referred to as 'snagging' issues.

Mr P and his wife delayed returning to the property for a few weeks to allow the work to be progressed but were unhappy to find that it hadn't moved forward. Mr P asked Aviva if it would agree for the outstanding rectification works to be carried out by his own trades. But it said it needed to allow its appointed contractors the opportunity to put things right.

Various tradespeople returned to carry out different tasks and Mr P raise a number of concerns about the quality of the work being carried out.

In August 2023, Aviva agreed to pay Mr P a cash settlement so he could arrange for the outstanding work to be completed himself.

In its response to Mr P's complaint, Aviva said the general handling of Mr P's claim had been carried out to a satisfactory manner and the claim had progressed accordingly. It noted his recent concerns raised with the snagging issues which had caused Mr P some frustration. It offered to pay Mr P £150 compensation as a way of an apology.

Mr P remained unhappy and asked our service to consider his complaint. Aviva then offered to pay Mr P a total of £250, which Mr P didn't think was acceptable.

Our investigator looked into Mr P's concerns and thought his complaint should be upheld. He recommended Aviva pay Mr P a total of £550 for distress and inconvenience.

Mr P didn't think our investigator's recommendation was enough to put things right. He felt £550 was derisory and insulting. He also didn't feel that our investigator had given much

consideration to the management of the claim at the outset and weeks of delay in the appointment of the loss adjusters. He said he would be willing to settle his complaint for £1,250.

Aviva didn't agree to Mr P's request for higher compensation but accepted our investigator's recommendation to pay Mr P £1,250.

Mr P asked for his complaint to be considered by an ombudsman. He said he'd made a subject access request to Aviva and provided some additional comments after he'd received information from this.

Mr P said information logged into Aviva's complaints system was inaccurate. He couldn't understand why Aviva felt its compensation award should be lessened because he and his wife were in alternative accommodation. The move out of their home added considerably to their inconvenience and stress.

Mr P said the property was dried as of 30 January, not March as Aviva had said. The reinstatement works weren't on track. The issues were definitely not of a snagging nature. He was awarded a cash settlement of £10,500 in September to have the majorly incomplete and faulty works put right.

Mr P disagreed with what Aviva had noted about the main works being complete. He said as of mid-August he had two floors requiring replacing, a leaking bath and an unusable cloakroom. There were also areas of the house not affected by the water damage that were required to be put right as a result of shoddy workmanship.

Mr P also referred to the wording on our website regarding compensation awards. He said he considered he should at least be awarded compensation in the bracket of £750 to £1,500 and expected to be at the top end.

As Mr P disagrees with our investigator's outcome, the complaint has been passed to me to decide.

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've reached broadly the same conclusions as our investigator. I'll explain why.

I've considered everything Mr P has told our service, but I'll be keeping my findings to what I believe to be the crux of his complaint. I wish to reassure Mr P I've read and considered everything he has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

The relevant industry rules say an insurer should handle claims promptly and fairly. It should also provide reasonable guidance to help a policyholder make a claim and appropriate information on its progress.

Mr P says his claim was mismanaged from the beginning. He says there were delays in the loss adjuster being appointed and the reinstatement work commencing.

According to Aviva's records, loss adjusters were instructed around ten days after the escape of water event and the drying company visited the next day. The reports indicate there was significant damage to the property, affecting a number of rooms.

The loss adjuster visited the property around three weeks after Mr P made his claim. At the time of his visit, drying equipment had already been installed. According to the loss adjuster's report, the property was habitable, but it would be uninhabitable as soon as the required strip out and reinstatement works commenced. He anticipated it being uninhabitable for at least four to six months.

Mr P says the drying work was completed on 30 January 2023. However, the drying company's notes from that date say that they had removed all of the drying equipment but strip out works needed to be completed. In late February, the loss adjusters have noted that further drying works needed to be carried out and asbestos testing was taking longer than usual. So, I don't think the drying work was fully completed at the end of January.

The loss adjusters completed a schedule of work by late February and Mr P and his wife moved into alternative accommodation in early March. The reinstatement works began in early April 2023.

I appreciate Mr P would have liked the reinstatement works to have started sooner. But, given the complexity of the claim, I'm not persuaded there were significant delays here.

I can see that Mr P raised a number of concerns about the quality of the reinstatement works as well as additional damage caused by tradesmen. Concerns were raised both before and after Aviva considered the main works to have been completed.

Mr P was also concerned about a lack of communication from Aviva's contractors. I can see he and his wife had to arrange the cleaning of the property themselves before moving back in, as this wasn't carried out as promised. There were times when tradesmen turned up seeming to be unsure about why they were there. And Mr P doesn't always appear to have been kept up to date on the plans for rectification works as he should have.

Mr P and his wife didn't return to the property until around a month after the expected completion date for the works and were frustrated to find there wasn't any progress on the outstanding issues.

It's understandable that Mr P had lost faith in Aviva's contractors, given there were around thirty issues that needed to be rectified beyond the expected completion date for the works. I can see he requested to be allowed to arrange his own contractors a number of times. Aviva eventually agreed to this in August 2023, which was around two months after the expected completion date.

I think it's clear that the outstanding issues weren't all minor snags. Even after the contractors attempts to rectify poor workmanship, flooring needed to be removed and replaced and the bath needed to be removed and refitted to address a leak. Mr P was paid a cash settlement of £10,500 in September 2023 so he could arrange for his own contractors to carry this work out.

Aviva has accepted our investigator's recommendation to pay Mr P a total of £550 for distress and inconvenience. This is in the range of what our service would typically award where a business is responsible for causing considerable distress, upset and worry and / or significant inconvenience and disruption that needs a lot of extra effort to sort out.

I understand Mr P feels he should be awarded compensation in the next bracket (of £750 to £1,500) which our website says we'd consider to be fair "*where the impact of a business's*

mistake has caused substantial distress, upset and worry – even potentially a serious offence or humiliation. There may have been serious disruption to daily life over as sustained period, with the impact felt over many months, sometimes over a year. It could also be fair to award in this range if the business’s actions resulted in a substantial short-term impact.” However, I’m not persuaded it would be fair or reasonable to award Mr P the level of compensation he’s suggested.

I understand Mr P experienced a lot of frustration and inconvenience while his claim was ongoing. And I note what he’s said about moving into alternative accommodation adding considerably to his and his wife’s inconvenience and stress. But when thinking about a fair award for compensation, I need to separate the impact of the escape of water event itself from the additional distress and inconvenience Mr P experienced as a result of Aviva’s poor service.

Even if the claim had been handled efficiently throughout, Mr P would still have experienced inconvenience as part of the claims process. And Mr P and his wife would always have needed to move into alternative accommodation while the main reinstatement works were being carried out. I can only award compensation for distress and inconvenience Aviva has caused which is over and above what we would usually expect from this type of claim.

I think Aviva’s poor service is likely to have delayed the completion of the reinstatement of Mr P’s home for a number of months. However, there’s nothing to suggest that the property was uninhabitable when he returned home. Mr P was subjected to some disruption while additional works were carried out following his return to the property, but I don’t think it would be reasonable to say there was a “*serious disruption to daily life*”. Nor am I persuaded that the additional distress, upset and worry Aviva caused Mr P could fairly be described as “*substantial*”.

I appreciate my answer will be disappointing for Mr P, but I think £550 reasonably recognises the distress and inconvenience he experienced as a result of Aviva’s poor service. So, I’m not persuaded to tell Aviva to pay compensation above the amount it’s already agreed to.

Putting things right

Aviva should pay Mr P a total of £550 for distress and inconvenience.

My final decision

For the reasons I’ve explained, I uphold Mr P’s complaint and direct Aviva Insurance Limited to put things right by doing as I’ve said above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr P to accept or reject my decision before 7 June 2024.

Anne Muscroft
Ombudsman