

## **The complaint**

Mr G complains about Aviva Insurance Limited's ("Aviva") delay in dealing with his claim under his buildings insurance policy.

## **What happened**

The background to this complaint is well known to the parties, so I won't go into too much detail but will summarise the key points. Mr G made a claim to Aviva following damage to a wall at his property. The claim was originally declined on the basis Aviva believed the damage had occurred gradually and was therefore excluded under the policy. But Aviva did offer a 20% contribution towards the reinstatement of the wall. Following further exchanges between Mr G and Aviva, during which expert reports were commissioned, Aviva accepted the claim and paid a cash settlement. Mr G then complained about Aviva's delay and said it had taken Aviva 20 months to settle the claim.

Aviva responded and explained, given the expenses involved, expert work and reports needed, as well as communication through legal representatives, they didn't agree that the claim was delayed unnecessarily, except for one instance. They said the expert report which Mr G sent could've been reviewed and actioned sooner than it was. They said this resulted in a nine-day delay. They said they'd agreed to cover some of the additional costs that wouldn't usually be covered under the policy. Aviva said, as a result of the delays caused by them, Mr G should be due interest on the cash settlement they paid. Aviva said this comes to £313.69 but they didn't feel this alone was fair to compensate Mr G for the impact. They therefore offered £186.31 in compensation for the distress and inconvenience, bringing the total offer to £500.

Our investigator looked into things for Mr G. She upheld the complaint, but recommended Aviva increase their offer of compensation to £1,000. Mr G disagreed so the matter has come 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've decided to uphold the complaint. And, I think the investigator's recommendation is a fair way to resolve matters. I understand Mr G will be disappointed by this but I'll explain why I have made this decision.

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute. I think it's important to add, I won't be commenting on every event during the claim and complaint process, instead I have taken a broad approach to the overall service provided. I think it's also important to make the point that my decision only covers the events following Aviva's complaint response in May 2022 up to their complaint response dated 13 September 2023.

I can see Aviva have settled Mr G's claim by paying a cash settlement, and they've also reimbursed Mr G the expert and legal costs incurred by him. Mr G says the only issue remaining is compensation for the impact of Aviva's service between May 2022 to September 2023.

Firstly, I've looked at the service given to Mr G. The key facts about the complaint aren't in dispute. Aviva have admitted they got things wrong by causing delay in the claim. The only issue I have to decide is whether Aviva's offer to put things right is fair and reasonable.

I think it's right that Aviva should compensate Mr G for the trouble, frustration and inconvenience caused by their poor service. To help decide what a fair and reasonable level of compensation should be, I've looked at the errors by Aviva and what the impact of those errors have been.

The information shows, the claim was declined, and a complaint response issued in May 2022. I can see the decision to decline the claim was the subject of a separate decision made by our service, so I won't comment on this. I don't think it was unreasonable therefore for Aviva to have not taken any further steps until Mr G had provided information challenging their original decision to decline the claim. This happened in October 2022 when Mr G appointed an expert to provide a report on the cause of the damage and sent the report to Aviva. Aviva then arranged for their own expert to attend in November 2022 and prepare a report. I don't think it's unreasonable in the circumstances for Aviva to have taken this step. Insurers are able to instruct their own expert in order to be satisfied the cause of damage falls within the scope of cover. The information shows Aviva felt the precise cause was inconclusive as their expert was unable to assess what the balance was between two likely causative factors, and which was dominant.

Looking at these events more closely, the information shows Aviva's expert's report was received in November 2022, but it was only noted in January 2023 by Aviva's solicitors that they needed Aviva's expert to comment on Mr G's expert's report. Given that Mr G's expert's report was available to Aviva at the time of instructing their own expert, it's not clear why Aviva's expert didn't take this action initially while preparing their own report. So I think this led to some delay.

A conference then took place between Aviva's loss adjuster, solicitors and expert in January 2023. The claim notes show the expert suggested they may require meteorological advice – and arrangements were made to request this advice in March 2023. In their response to our service, Aviva say the recommendation for meteorological advice was also set out in their expert's report. Given this report was received by Aviva in November 2022, it's not clear why Aviva then waited until March 2023 to appoint a meteorological expert. I acknowledge there was a conference which took place in January 2023, but I haven't been provided with any information by Aviva as to why any discussion at the conference, and not the report from their expert, was the deciding factor behind their decision to appoint a meteorological expert. I think there has been around a four-month delay here in instructing the expert, particularly as Aviva say their expert recommended meteorological advice in their report.

A meteorological report was then received by Aviva in late March 2023, and this was referred to their expert for comment. The claim notes show, around the middle of May 2023, Aviva's solicitors received a draft report from Aviva's expert, but they returned to the expert with further questions. The claim was then accepted on 15 May 2023 and Mr G was notified of Aviva's decision. Aviva then requested Mr G to obtain updated costings for the reinstatement works, and the information shows this was received in June 2023 and Aviva decided to cash settle the claim, and an offer was put forward to Mr G in June 2023. The information shows the cash settlement was then sent to Mr G on 25 July 2023. It's not clear

from the information provided by Aviva why, after receiving Mr G's agreement to the cash settlement, it took until the end of July for the payment to be issued.

The information shows, in an email exchange between Aviva and their loss adjuster in June 2023, Aviva agreed to consider Mr G's costs for instructing his own expert and they said, while legal costs aren't generally covered by the policy, Aviva would review these if Mr G was able to provide details of the costs incurred. I can't see any further action was taken on this until over two months later and after Mr G chased this. Aviva then asked for details of the costs incurred, which was then provided by Mr G, and these costs were paid on 9 September 2023. So I think there has been delay here as the loss adjuster didn't take any action to obtain further details of the costs incurred by Mr G – and it took a chaser from Mr G to get this part of his claim progressed.

Taking this all into account, there have been periods of avoidable delay. It's clear the lack of progress has been very frustrating for Mr G as he has been left with a collapsed wall which meant parts of his property weren't accessible. I think it's also fair to say that any trouble and frustration caused as a result of the delays was exacerbated after the point Mr G received his own expert's report which brought into question Aviva's original decision to decline. At this point, it's understandable Mr G would have wanted things to move forward at pace in order that a revised decision could be made on the claim. Aviva accept there was delay in reviewing Mr G's expert's report and I've highlighted above additional areas of delay I've found.

Given the incident here involved a collapsed wall which was later settled with a cash settlement for over £150,000, it's naturally the case that there's a level of trouble and inconvenience to be expected by a consumer. So, I've only considered the impact on Mr G beyond what would generally be expected and, as mentioned above, I think things have taken longer than they should've and there are periods here where progress was being held up by Aviva. So, Mr G has been left experiencing trouble, frustration and inconvenience for longer.

So, taking into consideration the impact on Mr G, I don't think Aviva's offer of £500 goes far enough to recognise the impact on Mr G. I think there has been significant trouble and frustration caused to Mr G given the periods of delay, and inconvenience in having to chase Aviva to get things moving. So, taking into account the full impact on Mr G, I think Aviva should increase their offer of £500 by an additional £500, bringing the total compensation to £1,000.

I can see Mr G says the time and effort taken to deal with this matter meant he was pulled away from other activities such as renovations to a flat and holiday letting. In relation to further holiday lettings, which Mr G says are adjacent to his property, guests had to drive past the collapsed wall in order to access them. Mr G says this didn't give a good first impression. I have taken these points into account when considering the overall impact on Mr G. But, while I have noted Mr G's points about any loss of income as a result of Mr G not being able to increase the price for his holiday lettings or delays in carrying out renovation, and a breakdown of his and his assistant's time in dealing with the claim, I can't say this amounts to a direct financial loss in the circumstances of this case. I have though considered the overall impact on Mr G.

I note Mr G has concerns about Aviva's complaints handling – he says they failed to acknowledge his complaint despite chasing by email, post and phone. Complaint handling isn't a regulated or other covered activity. So as a general rule, and in line with the law, if the complaint is solely about complaint handling, we wouldn't be able to look into things. Where complaint handling forms a part of a customer's complaint, then we can take into account complaint handling when looking at the overall customer experience. In this case, I can't say

the issues which Mr G raises about the complaints handling are an extension of the issues which relate to regulated activities, so I can't look into the complaint handling part of the complaint.

I understand Mr G will be disappointed, but I wish to reassure Mr G 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.

### **Putting things right**

I've taken the view that Aviva have caused avoidable delays. So, in addition to the £500 already offered, they should increase their offer by an additional £500 for the trouble, frustration and inconvenience caused to Mr G – bringing the total compensation paid for this complaint to £1,000.

### **My final decision**

My final decision is that I uphold the complaint. Aviva Insurance Limited must take the steps in accordance with what I've said under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 18 September 2024.

Paviter Dhaddy  
**Ombudsman**