

The complaint

Mr and Mrs O were unhappy with how their claim was handled, the outcome of their claim and the performance of the contractors used in progressing their claim. Mr and Mrs O had a home insurance policy with Aviva Insurance Limited ("Aviva").

What happened

Following a leak at their property, Mr and Mrs O made a claim to Aviva for the damage caused. Aviva appointed contractors to manage the claim on their behalf.

Mr and Mrs O felt the contractors put all the emphasis on them proving there was damage. They said the contractors didn't investigate the damage thoroughly themselves. Mr and Mrs O said they had to commission a flooring company to inspect the damage, which highlighted much greater damage below floor height (e.g. floorboards, joists). It took two months before an Aviva field agent visited the property to inspect the damage and according to Mr and Mrs O the movement on the claim was essentially managed by them.

Based on reports produced by its contractors, Aviva said a significant proportion of the damage was caused by rising damp, which isn't covered by the policy. Whilst aware of a small level of pre-existing damp, Mr and Mrs O said most of the damage was caused by the leak. They're unhappy with how Aviva delayed inspecting the property and they think if the inspections had been done earlier it would've resulted in a different claim outcome, as the damage from the leak would've been better highlighted before any drying of the property had taken place.

For the repairs deemed in scope, Mr and Mrs O felt Aviva's contractor was ineffective at scheduling the repairs, so they were completed inefficiently. Mr and Mrs O felt the works could've been completed more effectively and more quickly if the schedule was better managed.

Mr and Mrs O felt the concerns they raised in relation to the damage in their downstairs cupboard wasn't properly dealt with by Aviva and thought they'd conveniently used a rising damp issue to avoid repairing the damage in this area.

Mr and Mrs O felt some of the charges made to the claim were inappropriate. Aviva investigated Mr and Mrs O's concerns, but it didn't think its contractors or itself had failed Mr and Mrs O in any way.

Our investigator decided not to uphold the complaint. She didn't think Aviva had handled the claim unreasonably and she didn't think Mr and Mrs O had provided evidence of further damage (beyond the rising damp). So, she thought Aviva had declined this part of the claim fairly. Mr and Mrs O disagreed, so the case has been referred to an ombudsman.

My provisional decision

I made a provisional decision on this on 9 April 2024. I said:

"Mr and Mrs O have raised a few concerns about how Aviva has managed the claim. Some of these areas of concern I don't agree with.

It's normal in the insurance industry for insurers to sub-contract repair work following a claim, so I don't think Aviva has done anything wrong in doing this. Aviva are experts in insurance, not repairs, so I think it's reasonable to appoint contractors who are specialists in this area. This doesn't mean Aviva isn't ultimately responsible for the work of its contractors.

Mr and Mrs O raised concerns about what items had been charged to their claim. My interest is whether Mr and Mrs O has suffered financially or otherwise by Aviva's actions. I can't see how transactions that have been charged to Mr and Mrs O's claim has impacted them as Aviva has paid these, not Mr and Mrs O, so I won't consider this point any further.

I've considered what Mr and Mrs O said about the damp in the cupboard not been covered by the policy. Mr and Mrs O didn't dispute the existence of rising damp, which they've accepted is excluded by the policy. However, they said their dishwasher leak made this worse. They think the delay in Aviva investigating the leak muddled the evidence as to whether further damage was caused or not.

Whilst I do understand their argument, I'm not persuaded in these circumstances this was likely to be the case. I notice Mr and Mrs O live in an old property and the damp course is missing in parts which will lead to rising damp. I've seen photos of the damaged cupboard, and it's clear there is significant longstanding damage. Aviva did tests, admittedly done later, but nonetheless, these do demonstrate significant rising damp. I haven't seen evidence to contradict this. I think Aviva have done enough to justify declining this under the damp exclusion in the policy.

Mr and Mrs O were unhappy with the amount of evidence they were asked to provide. It's the consumer's responsibility to prove or provide evidence that damage has been caused. So, Aviva has followed a normal process here. However, I do think the two months Mr and Mrs O had to wait before Aviva deployed a field surveyor to inspect the property was unreasonable, so I intend to uphold this aspect of the complaint as this would've caused unnecessary delay.

I've also considered Mr and Mrs O's opinion that the repairs that were carried out could've been more efficient had Aviva's contractor better planned and scheduled the work. I found Mr and Mrs O's testimony in relation to this to be persuasive. In totality the claim took around six months, excluding the part where Mr and Mrs O were escalating the issues with the rising damp. I think this is too long.

I think some of the delays during this claim were avoidable, so I intend to uphold this part of the complaint. The delays would've frustrated Mr and Mrs O and inconvenienced them. They've lived in conditions that weren't ideal for longer than necessary. Therefore, I intend to award compensation for the distress and inconvenience caused of £300. I think this is fair in the circumstances of this complaint".

Responses to my provisional decision

Aviva didn't respond to my provisional decision.

Mr and Mrs O found my decision disappointing. They said:

"For Aviva to state that a significant proportion of the damage was caused by rising damp is simply not true. The insurer authorised the removal and reinstatement of half the base units, repair/replacement of joists and floorboards, dehumidifying the walls (including the

understairs cupboard), plumbing and electrical work, and provision of new floor covering, none of which was a result of rising damp; it was caused by the dishwasher leak, which was the basis of the claim.

Aviva's failure to undertake timely inspections and maintain adequate records have provided a convenient excuse to avoid rectifying this element of the damage caused by the leak.

With regard to certain items charged to the claim by Aviva's contractors, I accept that Aviva paid the invoices and this has not directly financially impacted us, but we remain concerned about the relationship between Aviva and this particular contractor. As part of the regulatory system for finance, and once aware of this information, does not the Insurance Ombudsman have a duty of care to raise this issue with whoever does have responsibility?

Finally, any compensation for distress and inconvenience is welcome, but the sum of £300 is derisory. It amounts to around £1.60 per day for those six months and is considerably less than the increase in premium demanded for this year. For Aviva, it is small change; 0.00002% of its £1,467m profit for 2023, and 0.005% of the total package of £5.5m it paid its Chief Executive. Overall, a good result for the company".

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.

As neither party has proved any new information, I see no reason to change my decision. My decision has focused on the circumstances of this complaint, the evidence provided and the impact it has had on Mr and Mrs O.

Whilst I think there were delays, the work in total took around six months, so I think Mr and Mrs O's analysis is misleading. I think the £300 compensation awarded is fair and in line with our Service's compensation framework.

My final decision

My final decision is that I uphold this complaint. I require Aviva Insurance Limited, pay Mr and Mrs O:

- £300 compensation – for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O and Mr O to accept or reject my decision before 23 May 2024.

Pete Averill
Ombudsman