

The complaint

Mr D has complained about how Aviva Insurance Limited (Aviva) dealt with a claim under a home insurance policy.

What happened

Mr D contacted Aviva to make a claim when a fire at a neighbouring property spread to his home causing damage. Early in the claim, Mr D complained because he said a contractor was rude to his wife. Aviva upheld the complaint, removed the contractor and offered £150 compensation.

Mr D later complained about the lack of progress on his claim. When Aviva replied, it said contractors were appointed to make the property weather tight and to survey the damage. A contracts manager who was rude to Mr D's wife had been removed from the claim. When a new contractor was appointed, site visits had taken place to create a scope of works. But, due to the large loss, there needed to be a tender process. Although this process was necessary, it increased the claim lifecycle. Aviva acknowledged that Mr D had said the delay had a large effect on his life and health. It had also been notified that a fox had got into the temporary roof space and that people had tried to steal scrap metal. Aviva apologised and offered £500 compensation.

Aviva then sent a further complaint response about a week later. It again explained about the complexities of the claim. It said it had followed the process but that claims of this type weren't swiftly settled. It said there had been avoidable delays, generally due to workload and annual leave. It said the claim was about a month behind, but given the claim complexity and extent of information required, it wasn't too far behind where it should be. It said it had already offered £500 compensation.

Mr D complained to this service. The Investigator said there had been periods of delay during the claim. However, Aviva had said the claim was complex and needed to go through a tender process, which needed more time to complete. He said the £500 compensation offered by Aviva was fair in the circumstances.

As Mr D didn't agree, the complaint was referred to me.

I issued my provisional decision on 2 April 2024. In my provisional decision, I explained the reasons why I wasn't planning to uphold the complaint. I said:

The relevant regulator's rules say that insurers must handle claims promptly and fairly. So, I've thought about this claim and complaint in that context.

My decision only covers the period up to the date of the final response to Mr D's complaint issued in July 2023. I'm aware Mr D continued to have concerns about the claim. However, I'm unable to consider these as part of my decision.

From what I've seen, the fire caused extensive damage to Mr D's home. So, I'm mindful that the fire itself will have caused significant disruption to Mr D's life and home. In addition,

because of the extent of the damage, Aviva had to follow a tender process. Aviva explained this was a lengthier, but necessary, process than for some claims.

I'm aware that towards the beginning of the claim, a contractor was rude to Mr D's wife. The contractor was removed from the claim and Mr D was offered £150 compensation. However, a new contractor then needed to be appointed. I think Aviva responded fairly to the concerns about the contractor. Aviva has also confirmed that it appointed new contractors and followed up shortly after with a site visit. So, although I think there was a delay here, some of this seemed to be a necessary consequence of fairly responding to Mr D's first complaint.

I asked Aviva to explain more about how it handled the claim, including whether issues related to the neighbouring property unnecessarily affected the progress of Mr D's claim. Aviva confirmed Mr D's claim was handled in isolation. It also, again, explained that the claim needed to go to tender and that it had taken time to complete the scope of works because it needed to be done in stages because of the complexity of the claim. The scope of works needed to be completed before the tender process could start.

Aviva also explained the one-month of delays it had referred to when it responded to Mr D's complaint. It said it had first visited Mr D's property shortly after the claim. At this stage the size of the loss was realised and the claim was transferred to a senior adjuster. At the same time, the UK temperature dropped leading to a surge in escape of water claims. This, combined with the Christmas period, affected the insurance network contractors and surveyors. The issue between the contractor and Mr D's wife also happened shortly after this, which added to the delay.

Mr D was also concerned about site visits. He told this service he had to take over 21 days off work for meetings and works and said that, for many of them, people didn't turn up. He later described this as "21 missed days". Aviva told this service that following a large fire there would be a lot of activity, including phone calls and site visits. It accepted there might have been some missed appointments, although wasn't aware of any specific dates without going through its records. I asked Mr D about the missed days. He said this was a misunderstanding. He said he "had lost 21 days due to appointments not due to missed appointments".

So, Mr D has now confirmed the issue wasn't with missed appointments, but that he lost days because of the number of appointments. There will always be a certain level of disruption as part of a claim. It's also necessary for site visits to take place and for access to be required for works. I haven't currently seen anything to show the appointments were unnecessary, including for a claim of this size.

Mr D has also said the £500 compensation Aviva offered wasn't enough. So, I've thought about this. Mr D said it worked out at about £20 for each of the 21 appointment days. I wouldn't expect a policyholder to be paid to go to meetings or to allow access to their home for a claim. Compensation is also normally to reflect the distress and inconvenience caused, not about a daily pay rate.

Mr D also described the impact on both him and his wife's health. He said they were caused a lot of stress and upset because of the state of their home. They were also worried about the state of the neighbouring house. I was sorry to learn of Mr D's wife's health, and other, concerns. However, she isn't a policyholder. As a result, I'm not able to award compensation to her. I can also understand that Mr D might be concerned by his neighbour's house. But that didn't form part of this claim and it wasn't covered by Mr D's policy, so I'm unable to consider this as part of any compensation.

Considering the size of the claim and its complexity, the reasons for the delays and the impact Mr D described, I think the compensation Aviva offered was fair in the circumstances. As a result, I don't currently intend to uphold this complaint or require Aviva to do anything further in relation to it.

I asked both parties to send me any more information or evidence they wanted me to look at by 30 April 2024.

Neither Aviva or Mr D responded to my provisional 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 don't uphold this complaint and for the reasons given in my provisional decision. Neither party responded to my decision. So, I had no further information or evidence to consider. However, I reviewed my findings again and the reasons why I made my provisional decision. I didn't find any reason to change my decision.

My final decision

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 29 May 2024.

Louise O'Sullivan
Ombudsman