

## **The complaint**

R complains that Aviva Insurance Limited (Aviva) hasn't settled a claim it made for storm damage to a building.

## **What happened**

R insures a number of commercial buildings on a policy it holds with Aviva. One of the insured buildings was damaged by a storm in February 2022. A gable end collapsed and falling debris caused some damage to an adjacent flat roof.

About three weeks later R approached Aviva to make a claim. Aviva accepted the claim and asked R to provide repair costings and other information to progress the claim. Several months went by and no information was provided despite reminders. In July Aviva said it was going to close the claim unless information was received.

Some information was provided by R in October, and shortly after this Aviva sent a surveyor to look at the necessary work. He found that R's own contractors were on site repairing the gable end. When the surveyor returned a month later he reported that R's contractor was intending to replace and upgrade the entire flat roof, not just the part damaged in the storm.

Aviva said it would pay for the part of the roof damaged by the collapsing gable – about half the roof. The remainder of the roof was separated from this the damaged area by a gully – and Aviva said it didn't think the second half had been damaged in the storm.

The next month or so was spent getting details of the work and costs from R. Aviva offered to pay about £51,000 as its contribution to the overall cost. It did that in early January 2023. At the end of the month R objected, saying that without replacing the entire roof it couldn't get a warranty for the work, so Aviva should pay for the whole roof. It said also that there was by now lots of water damage under the entire roof as a result of the storm and repairs were extensive. Aviva contacted R about this, and again communication seemed to stop. R responded at the end of April asking if Aviva could now repair the roof and provide a warranty.

A few days later Aviva said again it wouldn't repair the whole roof, and R appointed a representative to deal with Aviva. Further correspondence, included an annual check that had been done on the roof in 2021. That report suggested the roof should last for several more years. Aviva said it would settle the claim by paying 60% of the estimated costs for the entire roof, plus other repairs (such as the gable end) that it was liable for under the policy terms and conditions. R accepted this but continues to insist Aviva should pay for the whole roof.

R doesn't think the offer is fair, and asked us to review its complaint. Our investigator did that and noted the long delays in progressing the claim – which weren't caused by Aviva. He reviewed the report from Aviva's contractor, photos from after the storm and the inspection carried out in 2021.

Taking everything into consideration he thought that Aviva's offer was fair. He thought the

roof appeared to be in at best average condition before the storm. He noted the 2021 inspection hadn't reported on whether there was any damage to the structure beneath the flat roof covering – so he couldn't be sure there wasn't pre-existing damage. He thought the area of roof Aviva didn't want to pay for was very unlikely to have been damaged during the storm, and that R was intending to upgrade the roof covering substantially – something the policy didn't cover. Whilst he did acknowledge that R couldn't get a warranty if only part of the roof was repaired, he didn't think that was something Aviva was responsible for – especially as Aviva had said it could carry out the work itself initially, but R didn't appear to want that.

R doesn't agree, so I've been asked to decide this complaint.

### **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.

I'm not going to uphold this complaint. I'll explain why.

R has a comprehensive all risks policy with Aviva, and it was right that Aviva accept the claim.

The policy defines what Aviva should pay for – and what it need not. In particular the policy is clear that any repairs are only meant to return the building to its state before the storm, not to upgrade it at all.

It's generally accepted that an insurer may rely upon reports it receives from its consultants when deciding whether to meet a claim. So I think it reasonable that Aviva accept the report and photos from its consultant when deciding the claim. The photos I've seen show a flat roof in average to poor condition – there is lying rainwater and vegetation. That seems to affect both sides of the roof and suggests it might have been suffering from normal wear and tear, as roofs like this one often don't last for more than ten years. I haven't seen anything that shows the underneath of the whole roof was in good condition before the storm – so I can't say there wasn't already some damage beneath the covering. Nor can I say that the delays of several months before R provided the information Aviva asked for hasn't contributed to any damage that now exists. That delay wasn't caused by Aviva, so I can't conclude it should cover any damage that might have built up beneath the roof during that period.

I do accept that it can be hard to get a warranty on a part repair, but that in itself doesn't make Aviva responsible for additional costs if the policy doesn't cover them. Insurers are expected to carry out appropriate and lasting repairs. If Aviva repaired the part of the roof it was responsible for under the policy, R would be able to go back Aviva if those repairs didn't last as expected. But here R is carrying out the work using its own contractor. In those circumstances the responsibility for the quality of the repairs moves to R. Whether or not a warranty is provided is no longer something Aviva needs to be involved in.

I've thought about whether Aviva could fairly offer a cash settlement for part of the work, and I think it can. Aviva did cost the work it was responsible for, at a much lower price than R's contractor wanted for the work. And it does seem reasonable that Aviva believed R wanted to use its own contractor. When Aviva's surveyor first visited work was already being done, and he was later told by the contractor that R was replacing the entire roof covering with upgrades. In addition, as Aviva points out, it was only after R realised that Aviva wasn't prepared to pay the entire bill that it asked if Aviva's contractor could do the work and provide a warranty.

Where an insurer only offers a cash settlement (as opposed to the insured requesting this) it can't normally pay only what its own contractor would have charged, which is often substantially less than a retail customer might pay. But here Aviva's offer towards replacing the felt roof is actually 60% of the cost in R's quote – and that seems fair to me as I've concluded it's only responsible for half the roof. I exclude from this the other costs paid towards repairing the gable etc, as they do not seem to be contested.

Taking everything into account I'm satisfied that Aviva's offer is fair, so I won't be asking it to do any more than it has.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 12 November 2024.

Susan Peters  
**Ombudsman**