

The complaint

Mr and Mrs B complain that Aviva Insurance Limited unfairly handled a mid-term policy adjustment.

The policy is in joint names but I'll refer to Mr B throughout my decision as he referred the complaint to our service.

What happened

Mr B held home insurance with Aviva. He wanted to add a watch to his policy, so he contacted Aviva via live chat. The watch was valued above a certain amount, so Aviva said it would need to add a security clause to the policy, unless Mr B had a safe. Mr B was unhappy with how this conversation went so a complaint was raised. He felt live chat wasn't suitable for making policy changes and he felt Aviva hadn't provided clear and unrestricted access to a telephone service. He also thought the security clause was unfair. Mr B went on to phone Aviva where he added the watch to the policy and agreed to purchase a safe.

Aviva looked into the complaint. It said the security clause would apply, or, if Mr B has a safe, a slightly different clause would apply. But Aviva explained that the thresholds at which it would apply these conditions were due to change. Based on Mr B's items, Aviva said it wouldn't insist on a safe. It said its live chat agent wouldn't have known about this as it hadn't been communicated to staff at the time of the conversation. It also didn't think its live chat breached any regulatory rules.

Mr B didn't think this was fair, so he referred the complaint to the Financial Ombudsman. He'd purchased a safe and wanted Aviva to refund him for this. He also wanted compensation for distress and inconvenience and for Aviva to change its processes.

Our investigator looked into things and didn't think Aviva needed to take any action.

Mr B didn't agree. He said Aviva had used a sales process that wasn't appropriate for this type of insurance product; that Aviva's communication was misleading, unfair, and failed to take account of his needs; that Aviva had sought to impose an unfair contract term; and that Aviva had failed to properly identify his complaint. He also thought there may be a deeper issue and he asked us to consider referring the matter to the regulator.

Because Mr B didn't agree, the matter has been passed to me to make a final 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'm not upholding the complaint for broadly the same reasons as our investigator. I know this is likely to be disappointing for Mr B and I'm sorry about that. I've focused my comments on what I think is most relevant. If I haven't commented on a specific point, it's because I don't believe it affects what I consider to be the right outcome.

I should first explain that my role as an ombudsman is to determine a complaint quickly and with minimal formality. I don't have the power to tell the industry how its businesses should operate. This is the role of the regulator. So, I can't tell Aviva to change its digital sales processes or to make changes to its website.

I've read the transcript from Mr B's conversation with Aviva's chat agent in February 2024. Having done so, I'm not persuaded that Aviva treated Mr B unfairly or unreasonably. The agent asked Mr B if he had a safe, and when Mr B said no, the agent explained that the following security clause would apply to the watch:

"It is a condition of this policy that this item of the PERSONAL BELONGINGS SECTION is worn or carried by you or, whilst in your home or temporary residence, kept in a room in which you are present."

Mr B considers this clause to be unfair. But the clause, or those like it, are often applied by insurers for expensive jewellery. I don't find the clause unfair or unusual. It is a significant restriction on cover, so Aviva needed to make the term clear. But I'm satisfied Aviva did so here by highlighting it to Mr B right away so that he could make an informed decision.

Mr B has said that Aviva failed to explain the options available in relation to this clause, i.e. that the clause would be different if he purchased a safe. He has also said that Aviva failed to assess his demands and needs. But the agent said to Mr B very shortly after:

"...the above condition cannot be changed or discussed, the only option is to buy a safe, if no safe then the above condition applies."

I'm satisfied that Aviva made it clear to Mr B that unless he owned a safe, the above clause would apply. And I don't think this represented a failure by Aviva to properly assess Mr B's demands and needs.

I appreciate Mr B says he bought a safe thinking that he needed it to comply with his insurance cover. But Aviva has shown that the information it gave to Mr B during the live chat was correct at the time it was given. Aviva is within its right to change the thresholds at which it applies its security clauses and Aviva has provided underwriting evidence to confirm that this was the case. So, I don't think it would be fair for Aviva to refund the cost of the safe.

Mr B has said he doesn't think live chat is a suitable means of communication for making policy amendments. Aviva says it helps to reduce call waiting times and is approved by the regulator. I don't think Aviva's use of live chat was unreasonable or unsuitable, and I've seen nothing to suggest it falls foul of industry rules. It isn't uncommon for firms to use this type of system. Even so, I was also able to find telephone numbers on Aviva's website and in Mr and Mrs B's policy documents. The chat agent also gave Mr B a contact number. So, I'm satisfied that there were other methods available – and Mr B went on to phone Aviva to discuss the clauses and complete the amendment.

I recognise that Aviva's agent told Mr B that he would receive the same information over the phone. But I don't think that was incorrect in terms of whether the clause would apply, and I don't think it meaningfully prevented Mr B from phoning Aviva.

Mr B has shared information with our service about a vulnerability that he has. I was sorry to read of this. But I haven't seen that Aviva was aware, so I don't think it was in a position to adjust the way it communicated.

Finally, I think it's fair to say that there was some confusion over who was going to log Mr B's complaint during the online chat. Mr B said he would "feed back via a complaint" which the agent took to mean that Mr B was going to raise a complaint himself. Mr B pointed out that it was Aviva's responsibility to log the complaint as he'd expressed dissatisfaction. But this was cleared up quickly, and a complaint was logged. I don't think this caused any delay to Mr B's policy concerns being looked into, or any meaningful distress or inconvenience.

I know Mr B will likely find this outcome disappointing. I'd like to reassure him that I've read everything he's provided, and I recognise his strength of feeling. But I'm not persuaded that Aviva has acted unfairly or unreasonably in this matter. So, I won't be ordering it to do anything further.

My final decision

For the reasons set out above, I don't uphold Mr and Mrs R's complaint about Aviva Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 10 December 2024.

Chris Woolaway
Ombudsman