

The complaint

Ms U is complaining about the way Aviva has managed a claim she made on the buildings insurance policy that covered her apartment.

What happened

In October 2023 Ms U contacted Aviva – through her broker – to say there had been an escape of water in her apartment, which had caused damage to the flooring and one of the kitchen base cabinets. However, she said due to personal circumstances she asked if it would be willing to cash settle the claim so she could facilitate the repairs when it suited her.

Aviva agreed to settle the claim through a cash settlement and asked her to provide photographs of the damage as well as measurements for the damaged rooms. Ms U provided this. Following this, Aviva carried out a virtual visit to look at the damage. It then asked Ms U to provide estimates for all the damage.

Ms U later contacted Aviva to say she was having difficulties obtaining quotes. Aviva said it was aware it was a busy time for contractors but suggested looking at trader review websites to find someone to attend. Ms U later provided a quote from a trader. However, due to the size of the quote, Aviva said it would need to send a loss adjustor to attend the property.

Following the loss adjustor inspection, Aviva said it wasn't going to cover the damage to the flooring as it considered it to fall under contents cover, which Ms U did not have. It also disagreed with the amount of work Ms U's contractor said was required to fix the cabinet. And it said it would pay around £1,300 to settle the claim. Ms U didn't think Aviva was being fair so referred her complaint to this Service. She set out a detailed complaint submission, but in brief she was unhappy with the following:

- She said Aviva's messaging had been very inconsistent throughout, resulting in a lot of confusion.
- Aviva should have appointed a loss adjustor from the first instant. She said the failure to do so had caused months of delays.
- She disagreed the flooring wasn't covered. She said Aviva had said it wasn't secured to the floor, but she said it was secured under the skirting boards and believed it was glued to the floor.
- She disagreed with Aviva's assessment of how the kitchen damage could be resolved. She said her contractor was clear that it was not as simple as just removing the existing cabinet and replacing it with a replacement.

Our Investigator partially upheld this complaint. She didn't think Aviva had been misleading at the start. She also didn't think it needed to appoint a loss adjustor from the beginning. However, she thought it should have been clearer early on that the flooring wouldn't be covered. And she recommended Aviva pay Ms U £150 in compensation. However, she thought its settlement figure was fair.

Aviva accepted the Investigator's opinion. Ms U didn't agree with the Investigator and in summary raised the following:

- She maintained her carpet company said it was likely the laminate flooring was glued to the floor, so should be considered part of the building.
- Her contractor maintained that the cabinet couldn't just be replaced. She wanted Aviva to appoint an independent company to come and inspect the damage and say what was needed to put things right.
- She still thought Aviva should have appointed a loss adjustor from the start and highlighted previous ombudsman decisions which affirmed her position.
- She also maintained Aviva had been misleading in its initial communication.

The Investigator still thought her opinion was fair. So Ms U asked for the complaint to be passed to an ombudsman to decide.

Since then, Ms U has provided a further report from her contractor which she says confirmed the flooring was glued to the floor. As a result, Aviva has said would reconsider the flooring damage and would arrange for a further inspection of the flooring.

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 should first set out that I acknowledge I've summarised Ms U's complaint in a lot less detail than she has presented it. Ms U has raised a number of reasons about why she's unhappy with the way Aviva has handled this matter. I've not commented on each and every point she's raised. Instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy about this, but it simply reflects the informal nature of this Service. I assure Ms U and Aviva, however, that I have read and considered everything they've provided.

I also need to set out that I can only consider Aviva's actions up to when it issued its response to Ms U's complaint in June 2024. I'm aware further things have happened since then – such as Ms U providing a new report highlighting the laminate flooring was glued. But she'll need to raise a new complaint with Aviva about anything that's happened since June 2024.

As I said, Ms U has raised several concerns about the way Aviva has managed the claim. I shall consider each point separately.

Initial handling of the claim

Ms U has said Aviva was inconsistent and misleading in its initial communications. I've read and considered everything she's said regarding this. In the early stages of the claim, given Ms U made clear that she wanted to cash settle the claim, Aviva had minimal involvement in the claim. It asked her to provide photographs of the damage and then did a virtual tour of the property. Following this it asked her to provide estimates to repair the damage. I don't find this unreasonable and is in line with what most reasonable insurers would have done.

It's not unusual where a consumer wants to cash settle a claim for an insurer to ask the policyholder to obtain quotes for the damage and, in fact, I think this is good practice as if the quotes are reasonable, the consumer can use a contractor of her choice and the insurer will pay what it would actually cost to rectify the damage.

Ms U has complained that Aviva didn't appoint a loss adjustor from the start. But it wasn't required to do so. Insurers will typically use loss adjustors for complex or high value claims. I wouldn't expect insurers to use a loss adjustor on every claim as it's impractical and expensive to do so. In this case, Aviva initially offered to use one of its contractors, but Ms U said she didn't want to do that given the challenges with her situation.

I appreciate Ms U had significant difficulties in sourcing a company willing to do the work. But I can't hold Aviva responsible for that, given it was Ms U who wanted the claim to proceed this way. I recognise Ms U was going through a difficult situation at the time and I sympathise with the situation she was in. But I have to consider whether I think Aviva acted unreasonably and I haven't seen anything to support that in this regard.

It was only when the quotes Ms U provided seemed to exceed around £25,000 when Aviva decided it would be appropriate to instruct a loss adjustor at that point. And I don't think that's unreasonable.

Aviva's decline of Ms U's flooring claim

The policy covered damage to the building which included "*interior decorations and landlords' fixtures and fittings and tenants improvements*". But it doesn't cover contents cover. Aviva says the evidence it had been provided didn't show that the flooring was "fixed" to the floor. It says it believes the flooring was installed through a clicking mechanism and could easily be removed. Ms U disputed this for several reasons.

Where a policy doesn't specifically set something out – i.e. in this case it doesn't say whether it considers wooden or laminate flooring contents or a fixture and fitting – then I have to think what a reasonable interpretation of it would be. In this case, I think a reasonable interpretation of a "fixture and fitting" would be something actually fixed to the building. Aviva has said it would only consider a laminate flooring to be part of the building if it was physically secured to the floor. I don't think that's unreasonable. And it's in line with standard industry practice.

As I said above, I can only consider Aviva's actions up to June 2024 based on the information presented to it at the time. While I recognise it seems to have later become apparent that the flooring was glued to the floor in parts, there was nothing to support that at the start. And, in fact, I note Ms U's own contractor said it appeared to be clicked together rather than glued.

Ultimately, I cannot say it was unreasonable that Aviva initially didn't think the laminate flooring was fixed to the floor. So it follows that I don't think it was unreasonable it said the flooring wasn't covered under the terms of the policy. If Ms U is unhappy with the way Aviva has managed her claim since it received the updated report, she'll need to raise that with Aviva directly.

That said, as the Investigator set out, I think Aviva could and should have clearly set out its concerns regarding its liability for the flooring sooner. I don't think Ms U has lost out because of this as the situation would still have been the same, but I do think it caused Ms U some upset from Aviva initially saying it would cover the flooring, only to then say it wasn't covered. The Investigator thought Aviva should pay Ms U £150 in compensation and I think that's fair compensation.

Aviva's settlement figure for Ms U's kitchen

There's a distinct difference of opinion between what Ms U's contractor and Aviva's contractor thinks is necessary to resolve the damage to the sink cabinet unit. But the issue for me to decide is whether I think Aviva has fairly demonstrated its settlement value is fair.

Aviva's contractor says it will be possible to replace the cabinet by simply removing the existing cabinet and replacing it with the original cabinet. It will require temporarily removing the pipework and then reinstalling it when the new cabinet is installed. This is common practice in situations such as Ms U's.

However, Ms U's contractor has said that he would have to effectively remove the entire kitchen to install the new cabinet. And the amount he's quoted is also effectively the cost of replacing the kitchen in its entirety. I cannot agree that this is fair.

Ms U has suggested that Aviva appoint an independent company to decide how much it would cost to fix the damage. But Aviva has already obtained a quote from a contractor to carry out the rectification work. And I'm satisfied his explanation of how to fix the issue is fair and in line with standard industry practice. Given it was Ms U's choice to want to cash settle the claim, Aviva is not required to pay more than it would have had to pay to fix the damage. And Aviva has continually offered to appoint its contractor to complete the works.

As I said, I do recognise the difficulties Ms U is facing in her life. I would expect Aviva to work with Ms U to accommodate her challenges if Ms U wanted Aviva's contractor to carry out the works. But, ultimately, I haven't seen anything to say that Aviva's contractor's estimate to complete the rectification work is unreasonable. So I think its settlement value is fair.

My final decision

For the reasons I've set out above, it's my final decision that I partially uphold this complaint and I require Aviva Insurance Limited to pay Ms U £150 if it hasn't already done so. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms U to accept or reject my decision before 19 March 2025.

Guy Mitchell

Ombudsman