

## The complaint

Mrs S is unhappy with the decision by Aviva Insurance Limited (Aviva) following a claim for damaged contents on her home insurance policy.

Aviva is the underwriter of this policy. Aviva has accepted it is accountable for the actions of agents involved in the claim. In my decision, any reference to a company instructed during the claims process includes Aviva.

## What happened

Mrs S held a home insurance policy with Aviva which included contents cover. The terms and conditions when making a contents claim explained:

*'...we will decide whether to settle your claim by:*

- repairing;*
- replacing; or*
- by making a cash payment in respect of the damaged contents.*

*We will repair or replace the contents where we can.'*

The terms for matching contents explained:

*'What happens to matching pairs, sets, suites and carpets?*

*In the event of loss or damage to part of a pair, set, suite and/or items of a uniform matching nature, design or colour (including carpets and curtains) we will pay whichever of the following is least:*

- the cost to repair the damaged part to its condition immediately before the loss; or*
- the cost to replace the lost or damaged part.'*

In November 2023 Mrs S's home was affected by localised flash flooding which resulted in water entering Mrs S's home *'across the floors to approximately 25cm in height.'* Following notification of the claim to Aviva, Aviva arranged for a third party (D) to assess Mrs S's contents claim, and arrange for items to be stored off-site.

The facts of Mrs S's claim are well known to be parties. So I haven't repeated them in detail here. Mrs S was told the beyond economic repair (BER) items would be disposed of, and the remaining items would either be returned, or restored first, and then returned.

Mrs S was unhappy with Aviva's decision on her claim. During the claim Mrs S raised concerns with D's failure to safely remove contaminated contents from her home, take proper care of her contents, and apply 'matching' contents cover fairly when assessing her claim. Mrs S also said the flood had severely damaged all of her contents, and Aviva's decision to restore and return items was unreasonable.

Aviva considered Mrs S's complaint but said it had acted in line with the terms and conditions of Mrs S's policy. Aviva didn't offer to do anything in settlement of Mrs S's complaint. Mrs S was unhappy with this decision, and so brought her complaint to the Financial Ombudsman Service for investigation.

The Investigator found that Aviva had acted fairly in reaching its decision on Mrs S's claim in respect of its decision to restore and return unaffected items, as the policy allowed it to do this. The Investigator found there were examples of poor service in Aviva's handling of Mrs S's claim. The Investigator said Aviva should pay Mrs S £150 for the distress and inconvenience caused to Mrs S. The Investigator also said Aviva should fairly apply the terms for matching contents in line with the policy terms and conditions when assessing Mrs S's claim for any matching items.

Mrs S didn't agree with the investigator's findings. Mrs S said the distress and inconvenience payment didn't recognise the upset she'd experienced, or the extent of Aviva's poor claims handling. Mrs S reiterated the severe impact of the flooding which has caused irrecoverable damage to her contents. Because of this, Mrs S doesn't think it would be fair and reasonable for any items to be restored and returned to her. As the complaint couldn't be resolved it has been passed to me for 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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I've read and considered everything that has been provided.

When we investigate a complaint about an insurer's decision on a claim, our role is to consider whether the insurer handled the claim in a fair and reasonable manner. So I've considered the evidence to determine whether Aviva have acted fairly and reasonably in reaching its decision on Mrs S's claim.

#### *Contents claims*

The crux of Mrs S's complaint concerns Aviva's decision to restore and return items to her. Mrs S says Aviva should deem these items beyond economic repair, and agree to replace or cash settle them instead. Mrs S has explained how the electrical items would no longer be under guarantee because of the flooding incident, and the impact of damp and waste on them could potentially cause harm to health.

I can appreciate Mrs S's strong concerns. I've seen that in response to these concerns Aviva agreed to sample test a number of items to check for contamination. These all came back negative. Following these results Aviva informed Mrs S that she'd need to accept return of her items. Mrs S doesn't agree with this. But I think Aviva's actions have been reasonable, and importantly, in line with the policy terms.

The policy terms say Aviva can decide how to settle Mrs S's contents claim. This includes repairing, replacing, or making a cash settlement. Mrs S says only the second two options should apply to all of her items. I can appreciate Mrs S's reluctance to accept back her items. Especially as she has witnessed first-hand the condition of her items after the flooding incident, and when they were sent for storage. But the policy allows Aviva to decide on whether to repair items. So I think its decision to repair and return items that have passed its quality and sanitation checks is reasonable.

I recognise what Mrs S has explained about accepting items back that might be faulty or haven't been sanitised properly. But I don't think it would be reasonable for Aviva to hold on to Mrs S's items indefinitely for this reason. Instead, should any issues arise following the return of Mrs S's items to her, Mrs S will need to raise these with Aviva to investigate in line with its complaints process.

### *Matching sets*

The policy terms and conditions confirm how matching items cover would be applied in respect of '*matching pairs, sets, suites and carpets*'.

I note that during our investigation Mrs S has explained Aviva has yet to deal with her claim concerning matching items properly. I've carefully considered Mrs S's comments. And it's clear she remains dissatisfied with the handling of her claim. But I'm mindful that it's not the role of this Service to act as claims mediators.

When dealing with a complaint about an insurance claim that remains in dispute at the time of being referred to this service, we generally limit the scope of our decision making to issues which a business has had the opportunity to answer first. This is in line with our rules. Aviva has agreed to consider Mrs S's claim for matching items in line with the policy terms. Mrs S should raise any new issues with Aviva to respond to first.

### *Customer service*

Following registration of Mrs S's claim, Mrs S raised several issues with Aviva about the way her contents had been handled by Aviva's agent, D, and D's failure to collect all of the items that needed to be removed at the time. Aviva acknowledged Mrs S's concerns and her complaint was informally resolved at the time.

The Investigator recommended Aviva pay Mrs S £150 in recognition of the parts of the claim it didn't handle reasonably. And having considered what's happened, I'm persuaded this amount is fair, and broadly in line with what this Service would direct in the circumstances. I'll explain why.

I recognise what Mrs S has shared about the impact on her personal life as a result of the poor service in dealing with her claim. Aviva accept that more could've been done to support Mrs S in the early parts of the claim when D was instructed to take contents off site for storage. There were parts of this process that weren't handled properly which meant Mrs S had to chase Aviva and arrange for additional follow up appointments. This would've caused upset and stress at a time that Mrs S was already feeling inconvenienced by the flooding incident itself.

Although Aviva's claims handling was poor at times I'm mindful that an incident like this can involve a degree of upset and frustration because of the very nature of what has happened. And although Aviva didn't handle the claim the way it should've, I still think Mrs S would've been caused upset and stress because of the inconvenience of making an insurance claim, and not being in the comfort of her home and familiar surroundings, whilst her claim was being handled. Although upsetting, this is something Aviva isn't responsible for, and wouldn't be expected to pay additional compensation for.

I'm mindful about only directing Aviva to pay compensation for the impact on Mrs S because of its failings on the claim. And I recognise that this is a finely balanced exercise. All things considered, including Aviva's previous attempt to informally resolve Mrs S's concerns, and

Aviva's more recent agreement to pay compensation of £150, I'm broadly satisfied that this amount is fair and reasonable and in line with our approach.

Mrs S says the compensation awarded doesn't reflect the stress caused to her. Mrs S is ultimately unhappy with the outcome of her claim in respect of Aviva's decision to restore and return some of her items. But as this is something Aviva is allowed to do; I can't hold it responsible for the upset caused to Mrs S by its decision not to replace or pay for all of Mrs S's items. The compensation already offered fairly recognises the impact on Mrs S by what went wrong with the handling of the claim, but also that the outcome of the claim remains unchanged.

### **Putting things right**

Aviva Insurance Limited must:

- 1) Pay £150 for distress and inconvenience; and
- 2) Settle Mrs S's claim for matching items in line with the terms and conditions of Mrs S's policy.

### **My final decision**

For the reasons provided I uphold this complaint. Aviva Insurance Limited must follow my directions for putting things right as detailed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 12 March 2025.

Neeta Karelia  
**Ombudsman**