

The complaint

Mrs D has complained about the level of compensation paid by Aviva Insurance Limited ('Aviva') for additional damage it caused following an escape of water claim under her home emergency insurance policy. For the avoidance of doubt, the term 'Aviva' includes Aviva's agents and contractors for the purpose of this decision letter. Reference to Mrs D also includes submissions made on her behalf by her representative.

What happened

Mrs D reported a shower leak to Aviva in July 2024. As it provided her home emergency insurance at the relevant time, Aviva's engineer visited Mrs D's home to assist, but whilst unblocking the shower drain, the engineer used inappropriate equipment, and this caused further leaks. After speaking to Mrs D's home insurer to get confirmation that this damage would be covered, the engineer made three holes in the ceiling to access and stop the leak. However, this caused a considerable amount of damage.

Aviva accepted liability for the damage caused, and refunded Mrs D the excess amounts on her policies, totalling £550. It also paid £1,000 in compensation to Mrs D to recognise the significant amount of anxiety, stress, and inconvenience it had caused up to the beginning of October 2024. Mrs D said that she would need to stay in a hotel during the works which were due to take three weeks but then took four weeks. Initially Aviva didn't cover the cost of food or laundry, and this caused Mrs D worry and inconvenience. Aviva then offered to cover the cost of Mrs D's food and laundry costs while in the hotel if receipts could be provided.

Mrs D wasn't happy with the outcome of her complaint, and she felt that she hadn't been adequately compensated. She therefore referred her complaint to this service. Whilst the relevant investigator had a great deal of sympathy for Mrs D, the investigator considered that Aviva had provided a fair and reasonable response to Mrs D's complaint up to the date of its final response letter. She explained that Mrs D's complaint about events from October 2024 onwards, including the impact upon Mrs D's care package, was yet to be considered by Aviva, and couldn't therefore be considered by the service at this stage.

Mrs D remained unhappy about the outcome of her complaint. In the circumstances, the matter has now been referred to me to make a final decision in my role as Ombudsman.

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.

The key issue for me to determine in this case is whether the compensation paid by Aviva for the period up to October 2024 adequately recognised the significant distress and inconvenience suffered by Mrs D due to the service failure of its contractor. Whilst I appreciate the impact that such a series of events will have had upon a vulnerable person, I'm satisfied that for the relevant period, Aviva acted in a fair and reasonable manner in placing Ms D, as far as was reasonably possible, back into the position she would have been in had Aviva carried out emergency repairs correctly and efficiently. I'll explain why.

In reaching this final decision, I've carefully considered the submissions of the parties as summarised below. I turn firstly to Mrs D's submissions. She considered that there had been several failures by Aviva up to October 2024 which had caused distress and inconvenience. The distress and inconvenience related not only to the negligent works themselves, but also to the fact that these then needed to be remedied, and also in having to stay in a hotel whilst the works were carried out. All of these failures had caused disruption

Mrs D considered that as £1,000 compensation had been offered for the distress and inconvenience up to the beginning of October 2024, and then a figure of £500 compensation was being contemplated for the following period of just one week, this indicated that the initial payment of £1,000 had been too low. Mrs D was vulnerable and had been unwell. The care package that she had in place had been disrupted due to the move to the hotel, and her carers had struggled to provide care at the hotel.

I now turn to Aviva's submissions in response to Mrs D's complaint. Aviva accepted responsibility for the damage caused by its contractor, and it upheld Mrs D's complaint. It immediately agreed to pay £550 to cover the two excess amounts, even though it wasn't clear that these amounts had yet been paid by Mrs D. It told Mrs D that it was very sorry that the situation had been caused by its agent. It also paid £1,000 in compensation and agreed to cover the cost of any food or laundry during the period when Mrs D had to move to a hotel. The additional hotel charges had led to a further complaint, but it said that this would need to be considered separately.

I'll now explain the reasons for reaching the decision that, for the period up to October 2024, Aviva had responded in a fair and reasonable manner to Mrs D's complaint.

Firstly, I'm certain that Aviva's mistake caused Mrs D on-going worry for a number of weeks, particularly when she felt she had to leave her home to allow for remedial works to be carried out. I have a great deal of sympathy for Mrs D in relation to this ordeal, particularly in view of her health issues and vulnerability, and I have fully considered her circumstances.

The key question is whether Aviva responded to its acknowledged significant failures in a fair and reasonable manner, by refunding the excess amount, offering to cover certain hotel costs, and in paying £1,000 in compensation for the period up to October 2024, bearing in mind Mrs D's health issues.

The service's published guidance in relation to compensation awards makes it clear that we take into account whether the insurer put things right quickly and acted to minimise the impact of its failure. We also take into account whether it immediately recognised its error with an apology or an offer of compensation. In both cases, I'm satisfied that Aviva responded in an open and timely fashion.

A relatively high award of compensation of £1,000 is considered to be fair where the impact of an insurer's mistake has caused substantial distress, upset and worry, as in this case. It would be appropriate where there had serious disruption to daily life over a sustained period, with the impact being felt over many months. However, it would also be appropriate in some circumstances if the business's actions resulted in substantial short-term impact, with some ongoing effects.

Having reviewed all the surrounding circumstances of the case in the light of the guidance, I'm unable to say that Aviva's response for its failures up to October 2024 was unfair or unreasonable. The steps it took, and the compensation offered is at a level which I would expect under the guidance. I've acknowledged the considerable unnecessary worry, upset and inconvenience which Mrs D suffered. However, I'm satisfied that Aviva didn't try to

prevaricate or avoid responsibility and it made every effort to place her back into the position which she would have been in had its engineer not made his mistake. After making the mistake, the engineer checked the position with the home insurer and repaired leaks quickly and tried to reassure Mrs D that any damage would be covered.

The shock of witnessing the further leaks, and the mess left after the engineer's mistake, will have caused initial distress and worry. Mrs D will then have been inconvenienced in having to raise an insurance claim with her home insurers and in dealing with the inevitable lengthy communications and arrangements. Whilst Mrs D undoubtedly would have suffered from worry and therefore some on-going effects during the intervening period, the next period of significant anxiety and disruption would have been when Mrs D felt she had to move to a hotel on a temporary basis to allow works to proceed. In conclusion, I'm satisfied that Aviva paid an appropriate level of compensation, being £1,000 for the period up to October 2024.

As for the period from October 2024 onwards, I note that Mrs D stayed in a hotel for four weeks and not three. I understand that this caused a knock-on effect to the care package which she usually received, so she didn't get the same level of care. She also said that a lower care package then remained in place and this was causing on-going problems, which then had an on-going impact on her recovery. It may well be the case that Mrs D would have chosen to remain in her home during the works had she been aware of these consequences. However, a separate complaint has been made regarding the above, and this will need to be considered by Aviva in the first instance and therefore doesn't form part of this final decision.

My final decision

For the reasons given above, I don't uphold Mrs D's complaint, so I don't require an increase in the level of compensation paid by Aviva Insurance Limited up to October 2024 and don't require it to do any more in response to this particular complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 27 March 2025.

Claire Jones
Ombudsman