

The complaint

Mr L complains about how Aviva Insurance Limited (“Aviva”) has handled a claim he made under his home insurance policy, following damage to his property while he was on holiday.

Any reference to Aviva in this decision includes its appointed agents and representatives.

What happened

Mr L’s property sustained considerable damage when a mature oak tree landed on the roof whilst he was on holiday. The fallen limb of the tree had a weight of more than two tonnes and the limb spanned the entire width of the roof, which caused the roof timbers to shatter as well as further damage to the property beneath. Mr L made a claim to his insurer, Aviva, but at first Aviva said he was not insured. It took a few days for Aviva to confirm there was cover in place.

During the claims process, Aviva told Mr L he was underinsured, so a valuation was carried out which confirmed that the property’s rebuild cost was within the policy limits. But Mr L says that by this point Aviva had halted all works leaving the roof stripped and the property not adequately protected. He says this allowed severe water ingress over the holiday period, despite the fact the building had a “tin hat” style temporary roof, as the sides weren’t covered. He also said that the scaffolders hadn’t been paid and the resultant damage included the floor needing replacement, the plaster stripping back to brick, the electrics being removed and the kitchen also needing replacement.

Mr L made a number of complaints due to these issues. He said that in addition to Aviva saying his property was underinsured and this resulting in more damage, there had also been a lack of communication from the loss adjuster and delays in receiving payments. He was also concerned about the impact on his premiums going forward and said the repair costs had increased considerably since the original quotes were obtained.

Aviva said it had accepted the value at risk report from Mr L, so it accepted that Mr L’s property wasn’t underinsured. It issued final responses to Mr L’s complaints saying it agreed there had been a lack of communication, and offered Mr L £400 compensation for this. And it offered Mr L £150 compensation for the initial error in not registering his claim when he first reported the damage.

Mr L didn’t accept Aviva’s response, so he referred his complaint to this service. Our Investigator considered the complaint and thought Aviva’s actions had impacted Mr L considerably. She recommended, among other things, that Aviva pay Mr L additional compensation for distress and inconvenience as well as ensure he wasn’t disadvantaged financially going forward.

Aviva didn’t respond to our Investigator’s view, so the complaint has now come to me for an Ombudsman’s 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.

As this is an informal service, I'm not going to respond here to every point raised or comment on every piece of evidence Mr L and Aviva have provided. Instead, I've focused on those I consider to be key or central to the issues in dispute. But I would like to reassure both parties that I have considered everything submitted. And having done so, I'm upholding this complaint. I'll explain why.

Firstly, I'd like to say I'm extremely sorry to hear about what happened to Mr L's property. It must have been extremely distressing when the damage first occurred.

I should point out that I cannot consider the issues raised by Mr L and dealt with in Aviva's final response letter dated 9 August 2023, as that complaint wasn't referred to this service within six months of the date of the final response letter – which is the deadline for bringing complaints to this service where a valid final response letter has been issued. But I'm able to consider the issues dealt with in the subsequent final response letter dated 29 July 2024 and the contents of the complaint email from Mr L dated 24 June 2024.

I've kept in mind the Consumer Duty, which says firms must act to deliver good outcomes for retail customers and I've also had regard for the rules and guidelines set out by the insurance industry regulator, the Financial Conduct Authority (FCA), about how financial businesses should handle claims. These are contained in the 'Insurance: Conduct of Business Sourcebook' (ICOBS). ICOBS 8.1 says an insurer must handle claims promptly and fairly; provide reasonable guidance to help a policyholder make a claim and give appropriate information on its progress; and not unreasonably reject a claim. It should also settle claims promptly once settlement terms are agreed.

Overall, I'm not satisfied Aviva has acted in line with the Consumer Duty or its obligations under ICOBS, or that it's adequately compensated Mr L for its failings, for the following reasons:

- Although Aviva ultimately accepted that Mr L's property wasn't underinsured, I consider its actions in determining this caused further damage and distress. Contractors were instructed to stop repairs pending the outcome of underinsurance investigations, which wasn't entirely unreasonable. But I don't consider it was fair to leave the property exposed to the elements whilst those investigations were carried out.
- It was confirmed in October 2024 that there was an increase in costs as a result of the substantial water ingress. This additional damage was avoidable. And it wasn't until May 2024 that a report confirmed the property had been returned to a watertight condition. Aviva hasn't confirmed whether those costs have been recorded against the claim. And I don't consider it would be fair for it to do so, as the additional costs are not directly related to the original claim for the damage caused by the fallen tree.
- Mr L has provided evidence to show the significant increase in his insurance premiums. Whilst I can't look at a pricing complaint as that would be a matter for his new insurer, I'm satisfied that Aviva should work with Mr L to ensure he is not disadvantaged by an unfairly high premium, due to its own errors.
- Looking at the timeline of the claim, I can see that payments were delayed due to a lack of communication from the loss adjuster. Contractors had to chase for payments

and eventually issued Mr L with a letter before action and a statutory demand. I've not considered the impact of these communications as this happened after the date of the final response letter and Aviva has not consented to this service considering those ongoing matters. But I've considered what the letters say about the delays in payments. And I'm satisfied that the ongoing delays caused Mr L distress for which he should be compensated.

- There was also confusion around the contents claim as there were differing recollections of what the loss adjuster said in relation to the contents at the property. But I can see Mr L provided a list of contents around a month before the uncertainty occurred, so I don't consider it reasonable for Aviva to have suggested there wasn't a contents claim to deal with.
- The overall impact of Aviva's errors affected Mr L both financially and caused considerable stress, disruption and inconvenience. Following the initial damage to his home, which wasn't Aviva's fault, it was disappointing that the required care wasn't taken to prevent additional damage. Mr L had to source his own materials, spend considerable time liaising with the parties and pay out of his own pocket. I'm satisfied from Mr L's detailed testimony that the claim impacted and disrupted his life for many months longer than it should've. So I think an increase in compensation is warranted.
- Mr L has said he'd like the loss adjuster's reports and a more definitive answer about his premiums going forward. Whilst some parts of the loss adjuster's reports will be commercially sensitive, I don't see any reason why Aviva shouldn't provide Mr L with a redacted version. But I'm afraid it isn't possible for me to give a clear answer about Mr L's future premiums at this stage, as I don't have enough information which demonstrates how his premiums have been affected by the additional costs incurred in this claim. In order to ensure he's not unfairly disadvantaged, I'll require Aviva to deduct any additional costs from the claim and provide Mr L with updated figures so that he can find out if he's owed a refund. Aviva should then pay Mr L interest on any refund due to him, to reflect the time he's been out of pocket.

Putting things right

Aviva Insurance Limited should:

- Pay 8% simple interest per annum on any refund due to Mr L following the deduction of the cost of any additional repairs identified in Criterion's report from the claim costs. It should also notify Mr L when it has performed this calculation so he can check with his current and previous insurers to see if this affects his premiums for the years 2023-2024 and 2024-2025. If a refund is due to Mr L, then interest should be paid as set out above from the date Mr L paid the additional premium until the date of settlement.
- Settle any outstanding contractor costs Mr L has incurred, at the rate billed by the contractors and with an additional 8% interest per annum from the date Mr L paid the bills (if he has paid them) or if he has not paid the contractors then including any interest that has accrued due to late payment.
- Pay 8% simple interest per annum on the cost of materials Mr L has purchased in order to ensure repairs continued to be carried out, from the date Mr L bought the materials until the date of settlement.
- Pay Mr L an additional £600 compensation for distress and inconvenience on top of the £400 it has already offered in its final response letter dated 29 July 2024.

- Provide Mr L with redacted copies of the loss adjuster's reports.

My final decision

My final decision is that I uphold this complaint and I direct Aviva Insurance Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 18 May 2025.

Ifrah Malik
Ombudsman