

The complaint

Mr L has complained about the cash settlement he received from Aviva Insurance Limited ('Aviva') following his claim for water damage under his buildings insurance policy.

What happened

At the end of October 2024, Mr L noticed water marks on the kitchen ceiling, which then increased dramatically into a major leak from the upstairs shower. Mr L's plumber turned off the water and said that tiles would have to be removed to investigate the leak. Mr L submitted a claim to Aviva and informed it that the leak was coming from the shower waste and from the tiling grout and/or seals. Aviva partially accepted the claim and agreed to cover damage caused by the shower waste issue, but not damage caused by poor grouting and/or seals. It offered a cash settlement of around £900 following deduction of the excess amount.

Mr L was unhappy with the level of settlement as it differed significantly from the quotes that he'd received to reinstate his home. The lowest quote he'd received to do the work was approximately £6,000. Ultimately, he had the work done and paid significantly more than this amount. Mr L then raised a complaint, however Aviva maintained its original stance. In the circumstances, Mr L referred his complaint to this service.

The relevant investigator didn't uphold Mr L's complaint and considered that Aviva had responded to the claim in a fair and reasonable manner. Mr L remained unhappy with the outcome of his complaint and it was referred to me for 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 level of the cash settlement offered by Aviva was fair and reasonable. Based on the available evidence, I consider that it was, and I'll explain the reasons for this decision below.

I considered the submissions of the parties as summarised below. Turning firstly to Mr L's submissions, he considered the settlement to be '*extraordinary low*'. He didn't agree that it was possible to carry out leak repair, bathroom tiling and ceiling plastering for less than £1,500. The cheapest quote he managed to obtain was for £6,000. Mr L appreciated that he wouldn't be reimbursed fully but said that the total cost of was significantly higher than £6,000 and that during the repair process, other faults were discovered that needed attention. Mr L said that he'd spoken to multiple plumbers and builders who had all said that the job couldn't be done for less than £6,000, even at the basic level.

Mr L produced many photographs to show the extent of the damage. He also produced an itemised but undated quote for just under £6,000 to include tiling work. Mr L made it clear that on at least three phone calls to Aviva, he was told that he could carry out the necessary work but to take photographs. He was therefore surprised that Aviva claimed that he hadn't given it the chance to carry out repairs. Mr L considered that the claim elements that were a

direct result of the shower waste leak included repair to the kitchen ceiling, electrical and timber work, tiling of the bathroom floor, reinstalling the shower and plumbing, and removing rubbish. Mr L was reluctant to obtain a professional report unless he could be reassured that the cost of obtaining one would be reimbursed.

I now turn to Aviva's response to Mr L's complaint. It said that it had explained to Mr L in November 2024 as to how it would look to settle this claim. It considered that its offer of just over £1,400 less the relevant excess of £500 had been made, based on the information which had been provided. It made it clear that the offer didn't include damage from the leak due to failed grout and/or seals as this was excluded under the policy. It also stated that as Mr L had the work completed, that this had prejudiced his position, as its specialist wouldn't now be able to establish the extent of related damage. It had been willing to consider any further evidence from Mr L, such as any detailed professional report.

I've also read Aviva's case-notes. These show Aviva's reasons for limiting the cash settlement. It agreed that water damage to the ceiling below was consistent with a leak from the shower waste. It considered that if the damage had been from the shower waste alone, then this could have been accessed through the kitchen ceiling in order to limit damage to the shower structure itself and tiles. It didn't consider that Mr L had demonstrated that the waste leak had caused wider damage. It compiled a schedule of works which didn't include any element for tiling and offered a cash settlement of just over £900. It said it would also pay an additional sum if a VAT-approved contractor was used. It also offered to consider any additional damage discovered during works if it was a direct result of the insured event.

I now turn to my reasons for not upholding Mr L's complaint. The starting point is the wording of the relevant policy document as the terms and conditions of the policy form the basis of the insurance contract between the customer and the insurer. Unfortunately, policies don't cover damage caused by every eventuality. In this case, escape of water damage from pipes and fixed equipment, such as the shower waste, is covered. I note however that it also states that; *'One important policy condition is that you keep all the property...in good condition. Your policy doesn't cover loss or damage caused by wear and tear or a lack of maintenance.... Check and replace sealant and grout around baths and showers regularly - these need to be maintained to prevent leakage....'* Loss or damage caused by water escaping due to faulty, failed, inadequate or lack of grout or sealant is specifically excluded.

I have sympathy for the situation Mr L has found himself. An escape of water invariably caused stress and inconvenience. In addition to this, the claims process can also create additional stress, particularly where the cause of damage is not straightforward, or, as in this case, where there may be a combination of issues involved. There was reference by Mr L's plumber to the possibility that the leak was from a pipe behind the tiles, however the parties ultimately appeared to agree that damage was caused by a combination of issues, one being failure of the waste facility and the other the condition of the grouting and/or seals. The former would be covered by the policy as above, whilst the later would not be.

I'm persuaded that Mr L was told by Aviva that he could continue with reinstatement work as long as he retained photographic evidence, and Mr L clearly kept an extensive photographic record in this respect. It's unfortunate that Aviva didn't immediately inspect the damage when Mr L reported the matter, but it's also unfortunate that Mr L's plumber didn't provide a clear opinion on the likely apportionment of damage caused by each factor. It appears that the plumber said that it was necessary to remove the tiles before investigation, however Aviva didn't accept that this was the case.

Having then carefully considered the competing arguments, I'm satisfied from the available evidence that Aviva fairly and reasonably assessed the proportion of damage which was likely to have been caused by the insured peril. Unfortunately, there isn't a clear *'cause of*

damage' report produced by Mr L and it's no longer possible to re-assess or apportion the cause of damage in retrospect, as the reinstatement works have been carried out. It does appear from the available evidence however, that the wall behind the stripped tiles was damp and that this was likely to have been due to failed grout or sealant rather than the shower waste problem.

As for the floor tiles, unfortunately for Mr L, there's no evidence to show that it was the shower waste leak that had been responsible for this damage. The damage to tiles throughout appears to have happened due to Mr L's plumber recommending this course of action to enable him to investigate. This is a finely balanced issue, as I can understand why Mr L will have taken his plumber's advice, and why the plumber may have initially thought that the leak had been caused by a pipe leak behind the tiles.

On the basis of the available evidence however, I accept Aviva's position that, in order to resolve the waste trap problem, access from the ceiling below would have been the most logical route, rather than removal of all tiles. Again, whilst the policy does in principle cover repair of damage caused in finding the cause of a leak, I'm not satisfied that the removal of tiles was reasonable or necessary to find the waste leak as an initial, and cost-effective step for trace and access and it wouldn't be reasonable to expect Aviva to cover the cost of the more extensive works carried out as a result of the plumber's recommendation.

As for the amount of the cash settlement offered by Aviva, I agree with Mr L that it's questionable whether a leak repair, bathroom tiling, and ceiling plastering could all be carried out for less than £1,500. However, I'm satisfied that tiling work would have represented a significant part of the cost of the work. The parties appear to broadly agree on the works which were caused by the shower waste leak, save for the issue of tiling and reinstatement of the shower. Mr L considered that Aviva should have reimbursed the cost of tiling the bathroom floor and reinstatement, however these elements aren't included in Aviva's schedule of work and cost calculations. Again, on balance, there's no evidence to suggest that the damage to the floor tiles or indeed the need to remove the shower had been caused by the shower waste problem or that removal had been necessary in order to find the leak.

I appreciate that this decision will come as a disappointment to Mr L. Having carefully considered all available evidence however, I'm satisfied that Aviva acted in a fair and reasonable manner. It reasonably offered a cash settlement for only a part of the work of reinstatement and covered the costs of reinstatement of the room below the waste leak. As to the level of cash settlement offered by Aviva, I can't say that in all the circumstances this was unfair or unreasonable. It reflected the reasonable extent of the works which needed to be carried out due to the shower waste problem, and this was supported by a detailed schedule of works and costings provided by Aviva.

My final decision

For the reasons given above, I don't uphold Mr L's complaint and I don't require Aviva Insurance Limited to do any more in response to his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 29 April 2025.

Claire Jones
Ombudsman