

## The complaint

Mr C has complained about how Aviva Insurance Limited (Aviva) dealt with a claim under a home insurance policy.

## What happened

Mr C contacted Aviva to make a claim for an escape of water. He later complained to Aviva about the behaviour of a claim handler and the settlement amount offered.

When Aviva replied to the complaint, it said it hadn't found evidence the claim handler had behaved inappropriately. It also said the cash settlement offered was reasonable. It covered the costs of the necessary works under the claim and included an appropriate period for alternative accommodation. However, Aviva offered £300 based on Mr C's description of the impact of the claim handler's behaviour on him.

Mr C complained to this Service. Our Investigator didn't uphold the complaint. He said there wasn't evidence to show the claim handler had behaved poorly. However, he could have shown more empathy for Mr C's circumstances. He said the cash settlement offered was fair and in line with the terms of the policy. The £300 compensation was also reasonable in the circumstances.

As Mr C didn't agree this fairly reflected the impact on him and the claim settlement didn't cover his costs, the complaint was referred to me.

I issued my provisional decision on 9 April 2025. In my provisional decision, I explained the reasons why I was planning to uphold the complaint. I said:

*My decision is only about the issues covered by the complaint made to Aviva about the claim handler and the claim settlement amount. I'm aware Mr C has raised additional concerns. However, I'm unable to consider those as part of this decision.*

*Mr C was concerned by the behaviour of the claim handler assigned to his claim. He said he found the claim handler to be controlling and was told he could only contact the claim handler about the claim. I'm aware that when Aviva looked at the complaint, it said none of the phone calls had been recorded. This was because the claim handler worked remotely and so made calls on his mobile phone.*

*Looking at the claim records, I can see from the beginning of the claim Mr C told Aviva he was finding the claim difficult. Aviva's records noted that he was "really emotionally struggling", including because of the potential financial burden of it. The escape of water happened when Mr C was completing on the purchase of the property. Mr C was concerned that he would have a new mortgage and potentially needed to continue to pay rent to have somewhere to live, along with other related costs. This was also creating a lot of uncertainty for him and his family.*

*I've seen some of the claim handler's emails. While these seemed to address the issues raised, I can see they could be regarded as quite functional and abrupt. I also think they*

*contained statements but often lacked explanation. I'm aware Mr C also thought it was unclear why, early in the claim, the claim handler told him by email the electricians quote hadn't been accepted because rewiring wouldn't be required. In the same email, the claim handler also said the electricians needed to be assessed to confirm what had been affected by the escape of water. I can understand Mr C might have found this contradictory and dismissive.*

*Mr C also asked the claim handler for more clarity on how long he would be able to stay in the rental accommodation. He said it would help to ease his anxiety to know this. Again, I think the claim handler's response was quite abrupt, although he did also tell Mr C they could discuss it when he visited to carry out an inspection.*

*Mr C has also said the claim handler called him outside working hours or at unsociable hours. I can see from its records that Mr C spoke to Aviva one evening. He said the claim handler had phoned him at 7pm that day to say he would be at the property at 11am the following day. Mr C also told this Service that sometimes the claim handler would complain to him on the phone about how much work he had to do. Although I haven't been able to listen to those calls, I have no reason to doubt what Mr C has said.*

*Mr C has also said he doesn't think he was paid a fair cash settlement. He said he didn't have any confidence in the claim handler or, if Aviva carried out the work, that the repairs would be completed by the time his tenancy came to an end. He said he felt forced to use his own contractors. He also said the claims handler asked him to get quotes but never seemed to have any intention of accepting them and would only offer Aviva's contractor rate for the work.*

*Looking at the policy wording, this said:*

*"We can choose to settle your claim by repairing, rebuilding, giving you an equivalent replacement or making a payment.*

*If we are able to repair, rebuild or replace your property but agree to settle using cash or a voucher we will only pay you what it would have cost us to repair, rebuild or replace it."*

*So, this meant it was for Aviva to decide how to settle the claim. Where it said it could carry out the repairs, it only needed to pay a cash settlement at the amount it would have cost it to do the work itself. I don't think this is unusual. I also think it's common for an insurer to be able to secure contractor rates that are lower than would be available to a policyholder.*

*I'm aware Mr C has said some of Aviva's contractor rates were unachievable, including an hourly pay rate of £10.07 for some of the work, which was for "general" work. Aviva is able to enter into commercial contracts and I note that some categories of the national minimum wage are below this rate. However, I'm unable to comment any further on Aviva's business arrangements.*

*Looking at Aviva's records, it made a note early in the claim that Mr C said if he thought Aviva was taking too long, he would see if he could get someone to do the work. I also think it's common for an insurer to ask a policyholder to obtain quotes for the required work, particularly where they have indicated they might want to arrange it themselves. However, I'm aware it was also around this time that Mr C told Aviva how much he was emotionally struggling with the claim. Later in the claim, the claim handler also gave Mr C a specific start date for the work and said how long the work would take. Although Mr C wasn't confident the work would be completed on time, Aviva didn't carry out the work, so I can't say what would have happened.*

*Mr C has also said he didn't think the claim handler ever intended to use his quotes. However, I haven't seen evidence that persuades me this was the case. I think it's normal for an insurer to review costs and Aviva wasn't required to accept Mr C's quotes. The claim handler also highlighted some areas where he thought Mr C's quotes were particularly high, including items such as the noggins. There was a significant difference between Mr C's quote and Aviva's costs for the work. Overall, I think the cash settlement Aviva paid was reasonable based on the works identified as covered by the claim. I'm aware Mr C has said other items should have been covered. However, those don't form part of this complaint, so I haven't considered that further.*

*So, I've thought about compensation. When Aviva responded to the complaint, it offered £300 compensation. It's my understanding this was because it hadn't found evidence of the claim handler showing poor behaviour, but it didn't want to ignore Mr C's concerns. It was aware it hadn't been able to listen to phone calls and so was acknowledging that what Mr C had said could have happened.*

*I'm mindful that a claim will always likely cause some level of disruption and distress to a policyholder even if the claim progresses as it should. Mr C was also in the final stages of completing his house purchase and was living in rented accommodation. He, understandably, wanted certainty about when he could give notice on the rented accommodation and move into the house.*

*The claim took several months. From the beginning of the claim, Aviva knew Mr C was finding the process difficult and distressing. However, I haven't seen anything to show the claim handler took this into account when he contacted Mr C, such as providing reassurance about the claims process. Instead, his emails seemed abrupt and lacked explanation. I've also no reason to doubt what Mr C has said about the claim handler contacting him out of hours and sometimes raising his own high workload. I'm also aware that when Mr C complained to Aviva, he explained he was suicidal and described the impact of the claim handler's behaviour on him. I was genuinely sorry to read what Mr C described.*

*When Aviva replied to the complaint, it said it appointed a specific claim handler to keep a claim as simple as possible because customers could find them complex and confusing. I've seen an email from the claim handler that said Mr C shouldn't copy other parts of Aviva in. Although I can understand the intention behind Aviva's approach, I think this added to Mr C's concerns about the claim and that he could only deal with the claim handler, when he was struggling with that relationship. Having thought about this carefully, I think Aviva should pay a total of £500 compensation to better reflect the impact on Mr C of what happened during the claim.*

*I asked both parties to send me any more information or evidence they wanted me to look at by 23 April 2025.*

*Aviva accepted my decision. Mr C responded and, in summary, said:*

- *Although he didn't agree with all aspects of the outcome, I had read the emails and confirmed they were poorly communicated. This provided an element of comfort that had been lacking.*
- *He still wondered why Aviva was allowed to offer such a low cost for work. He understood that Aviva had agreements in place, but he was in a position where he had to make a decision that was both rushed and forced due to the lack of trust the claim handler had offered.*
- *Had the claim handler been professional, Mr C could have shared his concerns and perhaps trusted Aviva to project manage the works. But Mr C couldn't trust the claim*

handler to get the work done, based on his behaviour, the ongoing changing timescales and figures, his unprofessionalism and excessive workload.

- He was disappointed that a simple reference to Mr C saying early on in the process that he might want to use a different contractor was Aviva's go to evidence. This was really poor and proof that the claim handler's behaviours weren't correct. Before he made the decision to use his own contractors, Mr C was also entitled to discuss whether he wanted to use Aviva's or his own contractors.
- He queried why an investigator at this Service had requested comparable quotes from other contractors. This suggested that the Investigator was looking at offering the difference between Mr C's quotes and Aviva's costs.
- He remained of the view that it wasn't unreasonable to ask for works to be completed to a proven fair cost. He had no choice because of the unprofessionalism off the claim handler.
- He asked that I consider the complaint one final time and that this would be a fairer outcome than the £500 compensation.

### **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.

Having done so, I uphold this complaint and for the reasons given in my provisional decision. As part of that, I've thought about Mr C's comments, but this doesn't change my view about what I consider to be a fair outcome to this complaint.

I'm aware Mr C found the claim and the claim process to be distressing and that he didn't think it was fair for Aviva to be able to offer the amount it did to settle the claim. When I made my decision, I reviewed the evidence available to me, including the claim notes, emails and other documents and information. I was aware this Service had previously asked to see some quotes. The evidence, including the quotes Mr C provided, didn't persuade me that Aviva's approach to settling the claim was unreasonable.

I also considered the impact of the claim and the claim handling on Mr C. I remain of the view that £500 compensation is reasonable in the circumstances.

**My final decision**

For the reasons I've given above and in my provisional decision, my final decision is that this complaint is upheld. I require Aviva Insurance Limited to pay Mr C a total of £500 compensation, which includes the £300 it previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 26 May 2025.

Louise O'Sullivan  
**Ombudsman**