

The complaint

Mr D complains that Aviva Insurance Limited has unfairly recorded a declined claim made on his policy.

Mr D says when Aviva declined a claim made for subsidence to his property, it failed to make sure this was recorded correctly. As a result, he feels the cost of his future insurance has been unfairly impacted and Aviva should cover these costs.

What happened

Mr D made a claim for damage to his property in 2019 and he believed this was the result of subsidence. Aviva declined the claim but it was re-opened in 2023 after Mr D felt further damage was now visible and also the result of subsidence. After investigating the new damage, Aviva declined the claim again and said it was satisfied there was no evidence of subsidence.

Aviva refused to provide Mr D's cover when the policy expired in November 2021 and Mr D needed to insure his property elsewhere from this point.

Mr D says Aviva has recorded the declined claim as subsidence and this has impacted his ability to get insurance with both Aviva and other insurance providers. He's said the cost of his insurance has been increased and he feels this is the result of how the claim has been recorded by Aviva internally and on the Claims Underwriting Exchange (CUE) database.

Our investigator looked at this complaint and felt Aviva had unfairly recorded the claim on its internal records and CUE. They felt it was fair to record this as subsidence when the claim was being investigated. But when the claim was declined and damage was not found to be consistent with subsidence, it shouldn't have been recorded as such.

They could see the claim was showing as subsidence on CUE with a claim amount paid. They said this needed to be amended to reflect the fact that Aviva, on two occasions, had assessed the damage and determined there was no subsidence. Leaving a record of subsidence on the claim would likely be affecting Mr D and his future insurance and it was fair to remove this while still accurately reflecting the declined claim. They also felt the date the claim was closed on CUE was not correct and this needed amending.

As well as recommending that Aviva amend its internal and external recording of the claim, they said Aviva needed to re-calculate the premium charged to Mr D for the years it provided his insurance after the claim was declined. If this showed the cost of the insurance would have reduced because of the amendment made to correctly reflect the claim history to the property, it would need to refund Mr D the difference with 8% simple interest added, from the date Mr D paid the premium, until the settlement was paid.

They also said Aviva will need to pay, on receipt of evidence from Mr D, the difference in costs for his insurance with his new providers. Mr D would need to ask the insurers to recalculate the costs of his insurance once CUE is updated and if this shows the cost would have been less, Aviva will need to cover this cost with 8% simple interest added.

Our investigator also recommended that Aviva pay Mr D £350 for the distress and inconvenience of this situation.

Mr D accepted the recommendation made by our investigator. Aviva failed to provide a response to the view, despite a number of chasers and the complaint was referred for decision as a result of this.

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've decided to uphold this complaint, for much the same reasons as our investigator.

Aviva has not been able to demonstrate that it fairly recorded a closed claim for subsidence for Mr D's property on CUE and its internal records. It didn't agree subsidence was the cause of the damage after two inspections and it could be that another insured peril is applicable. But despite the outcome of its investigations, the claim was recorded on CUE as subsidence and it is understandable why Mr D is concerned about the impact of this.

It is also unclear why, after the claim was re-opened in 2023 and declined again in 2024, that the claim was not shown as closed on CUE until January 2025.

Subsidence and the indication of this on a property can have a significant impact on the view of the risk for an insurer. So, it is understandable why Mr D is concerned that the recording of the claim as subsidence when this wasn't found to be the cause of damage, is impacting him now.

With a lack of engagement on the outcome recommended by our investigator, Aviva has not confirmed whether an amendment to its records and CUE would result in the premium for Mr D's policy having reduced. It is also hasn't been able to confirm whether, if recorded differently, that it would have continued to provide the cover. In the absence of this, I think it is fair it takes the steps set out by our investigator.

Aviva will need to amend how it has recorded the closed claim for Mr D with the damage reported to its property and ensure the closed date after this was re-opened is correct. It is important that it doesn't record this as subsidence as the investigation confirmed this wasn't the cause. It can determine how best to record this, providing it isn't recorded as subsidence.

Once updated, Aviva should recalculate the premium for Mr D's insurance from 2019 and 2020 to determine whether there would have been a reduction in price. If it shows Mr D has paid more than he would have, had the claim been recorded correctly, it will need to refund Mr D the difference in what he has paid with 8% simple interest added, from the time Mr D paid his premium, until the date of settlement.

Mr D is concerned that his insurance premiums with his new insurance provider have been impacted by the information on CUE and how his claim had been recorded. Once Aviva has confirmed this has been updated as I've explained above, Mr D will need to ask his new insurers to confirm whether the price he has paid would have changed. If this shows he has paid more than he should have, Aviva will need to refund the difference to Mr D and this again would be with 8% interest added from the date Mr D paid his premium, until the date of settlement.

It is clear this matter has caused distress and inconvenience for Mr D. He has concerns that he has been charged more than he should have for his policy for several years and is

worried that the CUE information doesn't truly reflect the damage to his property. It is right this is recognised and that Aviva pay Mr D £350 in recognition of this.

Putting things right

Aviva will need to take the steps I've outlined above to put things right for Mr D.

I appreciate Mr D will face some inconvenience in needing to ask his new insurers to confirm whether, once amended, the CUE information did affect his premium. But I am afraid he will need to take these steps to demonstrate any loss incurred as a result of the change.

Aviva should confirm the amendment to its internal records and CUE promptly with Mr D to avoid any further delay and confirm whether any refund is due as I've explained above, paying this promptly if due.

It should also make the payment of £350 to Mr D to recognise the distress and inconvenience of this matter.

My final decision

For the reasons I've explained above, I uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 20 October 2025.

Thomas Brissenden
Ombudsman