

The complaint

D – a limited company – is complaining about the amount Aviva Insurance Limited has paid to settle a claim it made on its commercial property insurance policy.

What happened

In December 2023 a property D owned and rented out was burgled. Access was gained through the property's glass bi-fold doors, causing damage to the doors. D arranged for the doors to be secured and for new doors to be ordered. It also contacted Aviva – through its broker – to claim for the damage.

Aviva appointed a contractor to handle the claim. It contacted D's broker and asked for photos of the damage. It then chased a response in January 2024. The broker then provided an invoice of £9,7116 for the damage. The contractor considered the cost to be high, so asked to inspect the damage. However, the broker then replied to advise D had already rectified the damage. D also said it wanted to claim £7,000 for lost rent.

Aviva said it would only pay what it would have paid its own contractors to fix the damage – £7,681.16 – less the excess of £250. It also said the policy didn't cover loss of rent because it said the property had been secured through the bordering up of the damaged doors.

D didn't agree with Aviva's position. It said the tenants had said they didn't feel safe staying in the property, so ended the tenancy. It also said that Aviva had never given an indication it was going to carry out the repairs. It said it was an emergency situation so it felt it had no choice but to get the doors ordered straightaway. So it referred its complaint to this Service.

Our Investigator didn't uphold this complaint. She said Aviva's contractor had made reasonable efforts to contact D to proceed with the claim, but it hadn't been able to make contact. And, so, she thought it was fair for Aviva to say it would only pay D how much it would have paid to rectify the damage. And she was satisfied Aviva's contractor would have been able to carry out a like-for-like work to what D carried out for the price it said it would pay.

The Investigator also said that the policy covered loss of rent where the property couldn't be lived in. But a video D provided had demonstrated the property was secure. So she didn't think the property couldn't be lived in and, therefore, thought it was fair for Aviva to have said the loss of rent wasn't covered.

D didn't agree with the Investigator's opinion and, in summary, raised the following:

- The person commenting on the video was the caretaker not a qualified tradesman for the bi-fold doors and he was commenting to try to stop the tenant leaving. It said the property clearly wasn't secure because, if a burglar got through a correctly working and fitted door, then they would get through an extensively damaged door.
- Once the tenants left the premises, it was not possible to re-rent the property until the damage was rectified.
- D said its brokers didn't receive any messages from Aviva's contractor and said at no

point did they offer to attend the premises.

- The doors were ordered before Christmas, but the contractor didn't contact the broker until after Christmas.
- D says a discussion was had with the contractor that, as the doors were about to be fitted, the claim would be dealt with by pictures, and through the estimate.
- D says the property was a high-specification property and needed to be reinstated to the same specification. It still believes that Aviva's estimate is for sub-standard doors.

As D didn't agree with the Investigator, the complaint was passed to me to decide.

I wrote to both parties setting out that I intended to partially uphold this complaint and I said the following:

"As you're aware, this complaint relates to Aviva's settlement following a burglary of the insured property. D is complaining about the settlement for loss of rent and also the claim settlement itself. I'm currently minded to not uphold the complaint about the loss of rent, but based upon the terms and conditions of this insurance policy, I currently intend to uphold the complaint about the claim settlement itself. I'll explain why.

D have asked that Aviva pays the invoice it paid to replace the damaged doors. However Aviva has said it would only pay the amount its contractor would have charged.

The terms of the policy specifically sets out the following:

"In the event that Your Property Insured is damaged, We will pay for the replacement or repair of the damaged portion to a condition as good as, but not better or more extensive than, its condition when new."

So the terms of the policy say that Aviva will pay for the replacement or repair of the damaged doors. However, I haven't seen anywhere in the policy that Aviva sets out its liability is capped at the amount it would pay if it used its own contractors. The invoice D has provided is the amount paid to replace the doors. So the reasonable interpretation of this clause is that Aviva should pay D's invoice in full.

I've thought about whether there is any other reason why Aviva isn't liable for the full invoice cost – e.g. whether D itself breached any policy conditions which impacted Aviva's liability. But I haven't seen anything to support this either.

I recognise that Aviva's position may have been prejudiced by D arranging for the damage to be repaired before they contacted Aviva, but I haven't seen anything to show D couldn't do that under the policy terms. And its explanation for why it wanted the works done so quickly isn't unreasonable. I also haven't seen anything to alert D that the price being charged was unreasonable.

Ultimately, Aviva is the entity who wrote the contract and any ambiguity within it would be interpreted on the side of the party who didn't write it – i.e. D.

So based on the information I've seen so far, I intend to require Aviva to refund the remaining balance of the invoice, plus 8% simple interest."

Neither party responded.

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 neither party has given me anything new to think about, I see no reason to reach a different conclusion to the one I initially reached. So I've decided to not uphold this complaint and I'll now explain why.

I've already set out my findings regarding the settlement for the damage to the property. And, given neither party provided any further comment surrounding this, I still think Aviva should refund the remaining balance of the invoice, plus 8% simple interest.

So I've now thought about whether what Aviva has said regarding the loss of rent is fair.

The policy covers D's loss of rent *"if Your Residential Property or any of the Residential Units at Your Premises cannot be lived in or if access to them is denied as a result of Damage insured under the Property Damage Section."*

So, the policy covers any loss of rent D incurs where the property *can't* be lived in. I'm not persuaded the property couldn't be lived in once the doors were secured. I recognise the tenants didn't want to stay in the property any longer, but this doesn't mean they couldn't have done. The videos provided shows the doorway had been secured and set out that it was safe.

I of course recognise the property could have been burgled again, but it's arguable that any property could be burgled at some point. But this doesn't mean it wasn't safe to live in it. I'm satisfied the property had been made secure and there wasn't anything that meant the property couldn't have been lived in.

I appreciate D has suffered a loss of rent which is attributable to the burglary. But no policy covers each and every eventuality. Ultimately, I don't think it was unfair for Aviva to say this wasn't a loss covered under the terms of the insurance policy.

My final decision

For the reasons I've set out above, it's my final decision that I uphold this complaint and I require Aviva Insurance Limited to do the following:

1. Pay the full amount D paid to have the doors to be secured and subsequently replaced – if it hasn't already done so; and
2. Pay 8% simple interest on any extra amount payable to D from the date D incurred it until it gets it back*.

* If Aviva Insurance Limited thinks that it's required by HM Revenue & Customs to deduct tax from that interest, it should tell D how much it's taken off. It should also give D a tax deduction certificate if it asks for one, so it can reclaim the tax if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 17 November 2025.

Guy Mitchell

Ombudsman