DRN-5768532

The complaint

Mrs S is unhappy with the service provided by Aviva Insurance Limited (Aviva) following a claim for escape of water under a block building insurance policy.

Aviva is the underwriter of this policy. Part of this complaint concerns the actions of third parties instructed on the claim. Aviva has accepted that it is accountable for the actions of third parties instructed by it. In my decision, any reference to Aviva includes the actions of any third party instructed by Aviva during Mrs S's claim.

What happened

In August 2024 Mrs S contacted Aviva to make a claim following an escape of water causing damage to parts of her flat. The events following Mrs S's claim are well known to both Mrs S and Aviva. So, I haven't repeated them in detail here. Mrs S complained to Aviva about its claim handling including poor progression her claim. Aviva accepted its service had been poor in parts and offered Mrs S £150 compensation.

Unhappy with Aviva's response, Mrs S referred her complaint to this service for investigation. The Investigator found that the service provided by Aviva had been poor, but its offer of £150, given the period of delay and impact on Mrs S, was reasonable. Mrs S didn't accept the Investigator's findings. As the complaint couldn't be resolved, it has been passed to me for 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.

The policy schedule records Aviva as the insurer, and the property management group (B), as the policyholder. Mrs S is a leaseholder of the property managed by B. In line with our rules, this Service can consider Mrs S's complaint about her claim because of Mrs S's beneficial interest in the policy.

I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Mrs S has explained that her claim remains open, and unresolved. Mrs S has provided a summary of issues that Aviva has failed to deal with since its final response letter issued on 13 November 2024.

I've carefully considered Mrs S's comments. And I don't doubt that the claims process has caused Mrs S undue upset and frustration. But when reaching my decision on Mrs S's complaint, I've only considered events up to the date of the final response letter. This is because our rules only allow us to consider a complaint that a business has had a chance to respond to first.

Mrs S can still complain about events that have happened after Aviva's final response letter, but this will be dealt with as a separate complaint. This is to allow Aviva the opportunity to respond first, and the chance to put things right. It is strongly recommended that Aviva take steps to progress Mrs S's claim in a timely way from this point on.

I've carefully considered the impact on Mrs S between August 2024 and Aviva's final response letter in November 2024. Whilst I accept that claims of this nature do often take some time to properly scope out, I don't think the delays at the start of the claim have been reasonable. Aviva accept this fact. The dispute now relates to the award of compensation that should be paid in recognition of what went wrong, and the impact on Mrs S.

At the time of Mrs S raising her complaint in October 2024, Mrs S raised two key issues. The first is misleading information provided by the property management company (B) causing delay to the claim. I accept Mrs S was caused upset by this. But B isn't within the scope of my remit to comment on as part of this complaint. I can only comment on the actions of Aviva, and what it did or failed to do. So, although I accept Mrs B was caused frustration at the start of her claim, I'm unable to direct compensation for this part of Mrs B's complaint that relates to the service provided by B.

The second issue, which I can see Aviva is responsible for, is the poor progression of Mrs S's claim once it was reported. I've seen that following Mrs S notifying Aviva about her claim on 29 August 2024, a site visit with Aviva's appointed loss adjuster (LA) was arranged for 10 September. Given the bank holiday period around this time, I'm persuaded this timescale is broadly reasonable.

Following the first LA's visit, Mrs S complained to Aviva. She raised concerns about the limited scope referred to by the LA, and poor progression of her claim. I've seen that there was little movement on the claim between the first LA's visit and Mrs S's complaint. It was only after Mrs S made her complaint known to Aviva that the decision to instruct another LA was communicated, and this site visit arranged. The second site visit happened on 14 October. Given Mrs S first made her claim in August, the delay in a LA completing a thorough inspection only in October amounts to poor claim handling.

Although Aviva's decision to instruct another LA appears reasonable on the facts, I can also empathise with Mrs S feeling that further delay was added to her claim because of this decision. Added to this, this decision was only made after Mrs S complained. It's reasonable that Aviva pay compensation for this poor claim handling and the impact on Mrs S.

After the second site visit in October, agreed actions were discussed between Mrs S and the LA. Mrs S also informed Aviva that the second site inspection was more in keeping with her understanding of the extent of the claim, and remediation work needed. I accept that Mrs S has had to raise further concerns about Aviva's claim handling since this time, but the scope of this decision is concerned with the impact on Mrs S over the period between August 2024, and Aviva's final letter on 13 November 2024 only.

When thinking about Aviva's poor claim handling during this period, and the impact on Mrs S, I'm persuaded £150 compensation is broadly reasonable, and in line with what I'd direct in the circumstances. I say this because this amount recognises Aviva's could've been more proactive in managing the claim and ensuring timely progression of it. The claim was poorly handled with no material movement at times, and actions only being taken after Mrs S raised her complaint. In the meantime, Mrs S was left chasing Aviva for updates and living in her flat in poor conditions. This was to some extent addressed by some drying work being done in September, but other parts of the claim didn't progress.

I'm mindful that claims of this size and complexity can cause upset and frustration, even when things go as they should. But it's evident there were avoidable delays on the claim. Aviva could've communicated better, shown more proactive management of the claim, and acted more expediently in reaching decisions on the claim. These failings all led to undue distress and inconvenience being caused to Mrs S.

Aviva acted reasonably in trying to address Mrs S concerns and agreeing positive and practical steps to put things right once Mrs S made her complaints known. But this happened only after Mrs S had already suffered from the emotional and practical consequences of Aviva's poor claim handling at the start of her claim.

Aviva offered Mrs S £150 for the distress and inconvenience caused in reflection of its poor claim handling and the impact on Mrs S. Having considered the delays caused and the impact on Mrs S, I'm persuaded £150 compensation is fair and reasonable, and in line with our approach. It is for Mrs S to decide if she wants to accept this.

My final decision

For the reasons provided I uphold this complaint. Aviva Insurance Limited must pay Mrs S compensation of £150 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 18 September 2025.

Neeta Karelia
Ombudsman