

The complaint

Mr P complains that Aviva Insurance Limited offered a settlement which doesn't cover all of the repairs needed following his escape of water claim.

What happened

Mr P held a buildings insurance policy with Aviva.

In October 2024 Mr P made a claim for an escape of water after he noticed damage in the bathroom.

Aviva initially declined the claim saying there was no insured peril and the water damage looked like a longstanding issue.

Mr P then arranged for a plumber to come and undertake repair work. The plumber identified a leak in the hot and cold water feeds, but he then completed repair and reinstatement work before Aviva were able to reattend the property and validate the claim. So, Aviva declined the claim again.

Following a complaint from Mr P, Aviva did later agree that there was some leak related damage but only offered a settlement to cover damage that what it considered to be leak related, which was significantly less than Mr P had paid for the work he had completed.

Aviva's offer included identifying the leak, repairing the pipe, and damage to the tiles, totalling a settlement of £3297.43 before deduction of the excess.

Mr P was unhappy with this settlement offer and raised a complaint. Aviva didn't uphold the complaint and so he brought his complaint to us.

One of our investigators has looked into Mr P's complaint and he thought that Aviva had acted in line with the terms of the policy and that the offer made was fair.

Mr P disagreed with our investigator's view, and so the case came to me to review.

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'm upholding this complaint and directing Aviva to pay the settlement they have already offered. I'll explain why.

The decision to decline the first claims.

When a claim is made, it's the policyholder's responsibility to show the insurer that an insured "event" has occurred. In this case, Mr P needed to show Aviva that the water damage had occurred as a result of an escape of water. The policy say that cover is

provided for an “*escape of water from and frost damage to fixed water tanks, apparatus, or pipes.*”

At the time that Aviva’s surveyor visited Mr P’s house, no source of a leak had been identified, and so the claim couldn’t be validated. I appreciate that Mr P was able to show mould and damage to the bathroom ceiling, damage to the tiles, and woodwork. However, no leak had been identified, and so I’m satisfied that Aviva acted in line with the policy terms in declining the claim at that time as there was no identifiable escape of water.

I also note that Aviva said that the internal damage in the bathroom in the form of mould, staining and cracks, was consistent with damage caused by wear and tear, which is an exclusion under the policy, but as there was no evidence of an insured event, I don’t think they needed to go that far.

The second claim and settlement

Following the first claim, Mr P engaged a plumber to undertake investigations to establish if there was a leak.

The plumber found that there was leaking from the hot and cold water feeds under the bath. Mr P instructed the plumber to undertake repair work. The work included stripping out the bathroom, replastering, rebuilding a stud wall between the bathroom and hallway, reconfiguring the pipe work, and refitting a new bathroom suite, a new shower, tiling the walls and floor with new tiles, fitting a new radiator and accessories.

When Aviva’s loss adjusters attended again on 25 November to assess the damage, this work was nearing completion. As a result, they weren’t able to view firsthand the source of the leak or the damage, which meant they didn’t have the opportunity to properly validate the claim and reinstatement costs before work started. Mr P provided photo and video evidence from before the work was undertaken, and passed this to the claim handler, along with the quotes that he had.

The claims handler reviewed the evidence and quotes and offered a settlement of £3297.43 before deduction of excess, but before VAT. They based this on the labour quote provided by Mr P of £4500 and the cost of purchasing replacement tiles. They advised that they wouldn’t cover damage to the ceiling as this wasn’t caused by the leak, and that they wouldn’t cover the modification of the pipework or the purchase and installation of the new bathroom suite so they had deducted a sum for these.

Mr P wasn’t happy about this because he said that all the damage was caused by the leak, and has mentioned that there were three leaks, one of which was in the ceiling.

I’ve viewed all the video and photographic evidence and thought about whether Aviva’s position is fair.

Firstly, while I can understand Mr P wanting to get the leak fixed quickly, by having the strip out and restoration work done before Aviva could look at it, he has prejudiced Aviva’s position. In other words, he has made it impossible for them to properly assess the source of the leak and what damage it is responsible for.

However, despite this, Aviva have accepted that there was a leak from the bath feeds, so there was an insured event, and that it damaged the plasterboard wall alongside the bath, resulting in the need for repair and reinstatement of the plasterboard wall and the tiling.

The policy also covers Mr P for trace and access, and so they have agreed to include the

plumber's costs for identifying the source of leak.

I agree with Aviva that the ceiling damage is unlikely to have been caused by a leak under the bath and is more likely the result of condensation. Although Mr P has said there was a leak in the ceiling, I have seen no evidence of this, and in the videos of the ceiling when it was stripped out, no piping is evident. So, I'm satisfied that Aviva have fairly excluded this from any settlement.

I'm also satisfied that it is fair for Aviva to exclude payment for the replacement of the bath, sink, toilet, shower, radiator, and accessories as there is no evidence that they have been damaged, and in an escape of water claim we would normally see them being removed and replaced once the plasterboard and tiling works were completed.

I would expect that retiling should be included, but it's difficult to assess how much of the tiling would have been included as no assessment could be made during the strip out works. However, as some of the pipework in the floor seems to have been affected, I would think it was fair to say that the floor tiles would also need replacing, and so I think Aviva's inclusion of the full costs of the tiles purchased seems fair.

The quote Mr P has provided is £4500 including VAT – so £3750 before VAT - and the tile receipt is for £297.43, totalling £4047.43 before VAT. Aviva's settlement offer was £750 less, having made deductions for the removal and reinstatement of the ceiling and modification of the plumbing. So, their offer was £3297.43.

As the quote wasn't itemised, Aviva's technical claim handler has used their professional judgement to decide how much to deduct for those items excluded. Given the difficulties with assessment of the claim because the removal and reinstatement was completed before it could be looked at, I'm satisfied that the deductions have been fairly assessed and that the resulting offer is fair offer in the circumstances. So, I'm not proposing to increase it.

Mr P has raised further queries about why the arch in the hallway and the hall flooring isn't covered, but again I haven't seen any evidence that the damage was directly connected to the leak, and given the extent of the rot and mould these would seem to be more likely to have occurred as a result of condensation and damp over a longer period of time, as suggested by the reports from the loss adjusters.

Damage caused in this way is excluded under the policy exclusions at page 7:

2. Gradual deterioration/maintenance

Any loss or damage caused by wear and tear, corrosion, damp, mould, dry or wet rot or fungus, or any other damage that happens gradually over time and costs that arise from normal use, maintenance and upkeep of your buildings and or it's contents

I appreciate that Mr P will be disappointed that I haven't increased the settlement offer, but I hope the explanation will help him understand why.

Putting things right

In order to put things right, Aviva should pay the £3297.43 settlement that they have offered

My final decision

My final decision is that I'm upholding Mr P's complaint about Aviva Insurance Limited and directing them to put things right as above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 November 2025.

Joanne Ward
Ombudsman