

The complaint

Ms S complains about how Aviva Insurance Limited dealt with and settled a claim she made following the loss of paintings and sketches in a fire.

What happened

Ms S held a household insurance policy with Aviva, which covered items for loss or damage up to a value of £25,000 whilst stored in a recognised furniture depository.

In 2018, a warehouse in which Ms S was storing a large collection of paintings and sketches, that she was intending to later exhibit, was burnt down in a fire. These paintings and sketches had been painted by Ms S' late ex partner and were all destroyed in the fire. Ms S therefore submitted a claim to Aviva. In support of her claim, Ms S provided a valuation to Aviva, which stated that her paintings and sketches had been valued at almost £30,000 in 2018.

Aviva instructed an antique expert to assist it in assessing Ms S' claim. And in January 2019, it offered to settle Ms S' claim for £5,000. But it later withdrew that proposal because it said Ms S hadn't proved she held an insurable interest in the paintings and sketches. It paid her £500 in compensation to reflect the loss of expectation caused by it offering to settle the claim and then rescinding that settlement. It also informed Ms S that it would settle her claim if she provided proof of ownership of the paintings and sketches.

Ms S complained to our service about what happened. Her complaint was dealt with and finalised by an investigator who agreed that Aviva had acted fairly and reasonably in asking Ms S to prove ownership of the paintings and sketches. And they were persuaded that the compensation paid by Aviva in relation to the loss of expectation was fair and reasonable. So, they didn't recommend upholding Ms S' complaint.

Subsequently, Ms S provided proof of ownership of the paintings and sketches to Aviva. It considered her claim and reinstated its previous offer to settle her claim in the sum of £5,000. Ms S was unhappy with that offer. She wanted Aviva to settle her claim for £25,000 – the policy limit. And she felt she'd provided Aviva with evidence to support that valuation. But it didn't agree. So, Ms S referred a complaint to our service about the amount Aviva's settlement offer.

An investigator at our service looked into Ms S' concerns and recommended upholding the complaint. They weren't persuaded that the valuation report Aviva had obtained from its antique expert, and relied on in reaching its settlement figure, evidenced why the claim had been valued at £5,000. To resolve the complaint, our investigator thought Aviva should reconsider its settlement offer and pay Ms S £300 in compensation.

Following this complaint, Aviva obtained a further valuation report for the paintings and sketches. This report was by the same expert as before. It reaffirmed the previous settlement offer and contained a rationale as to how that figure had been reached. So, Aviva offered to settle Ms S' claim for £5,000. Unhappy with this, Ms S referred a further complaint to our service.

Our investigator assessed this complaint. But they weren't persuaded Aviva's offer was unfair or unreasonable. They were satisfied that Aviva's antique expert had provided detailed reasons confirming how they'd reached the £5,000 settlement figure they'd recommended Aviva settle the claim for. So, they didn't recommend upholding this complaint.

Aviva accepted our investigator's view of this complaint, but Ms S disagreed and requested an ombudsman's review. I've therefore been asked to decide the fairest way of resolving this complaint.

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'm sorry to hear about the difficulties Ms S experienced here. I'm aware of the longstanding history of this claim. And I acknowledge the frustration and distress this claim has caused Ms S over the years. I know she feels very strongly about this matter. But, while I sympathise with Ms S, the issue that I must determine is whether Aviva made a mistake, or treated her unfairly, such that it needs to now put things right.

This service is an informal dispute resolution service. When considering what's fair and reasonable, I'm required to take into account a number of matters, which include relevant law and regulations, regulators' rules, guidance and standards, codes of practice, the terms and conditions of any insurance policy and, where appropriate, what I consider to have been good industry practice at the relevant time. I'm not limited to the position a court might reach.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here I must base my decision on the balance of probabilities. I've read and considered all the information provided by Ms S and Aviva, but I'll concentrate my decision on what I think is relevant to decide the complaint, which is reflective of our approach in assessing complaints. This means that I may not comment on every written representation made.

It's not in dispute that Ms S suffered the loss of paintings and sketches by her late ex-partner in a fire in 2018, which she owned. The crux of this complaint is Ms S' contention that Aviva's settlement of her claim is contrary to her policy terms and that the offer it made is derisory. So, I've carefully considered whether it acted fairly and reasonably when it settled this claim.

As I mentioned in the background to this complaint, Ms S' loss here goes back many years. I've referred to the previous complaints Ms S made in relation to this claim. For the sake of clarity this final decision will only address what happened from the date Ms S' previous complaint was considered by our service to the date of Aviva's final response letter in respect of the current complaint, which is dated 11 March 2025.

I've looked carefully at evidence provided in relation to the previous complaint made about the settlement offer. And I've considered our investigator's view on that complaint too. Their view was that Aviva's instructed antique expert's report fell short of detail in relation to their rationale for the £5,000 settlement offer. They said:

"The report raised numerous points which called into question the value of the paintings. The expert has questioned whether there was any interest in the paintings at the time of fire as well as the overall condition of the collection. Given how costly art restoration can be, I do feel this is a legitimate point which does carry weight when considering the settlement of the claim."

However, the antique expert doesn't provide a valuation for any of the paintings, I can see this service was offered to Aviva, however, they don't appear to have gone ahead with it. So, while the report carries weight, and from what the expert has said, the paintings may have been worth less than the sum insured, I don't feel Aviva have done enough to support their decision to offer £5,000."

Based on the evidence I've seen, I'm satisfied that the report made some valid points as illustrated by our investigator in their view. These included factors such as whether there was interest in purchasing the paintings and sketches and the overall condition of these items. Having seen the report, I can see these factors weren't explored in detail by the expert. So, I can understand why our investigator thought more evidence should be provided by Aviva to support the settlement it offered to resolve Ms S' claim.

With the above in mind, I've considered the revised report that Aviva obtained from its instructed antique expert. I've also reflected on the evidence Ms S provided in support of her assertion that her paintings and sketches should be settled in the sum of £25,000, which is the maximum the policy of insurance permits.

I can see that Ms S has questioned the qualifications and expertise of the valuer Aviva instructed. She's argued that her valuation of the paintings and sketches should be preferred as it was provided by an art specialist and therefore carries more credibility. But I'll explain why I prefer Aviva's evidence on the value of the claim here.

Aviva's appointed valuer is a qualified fine art and antiques valuer of almost 40 years experience. I'm persuaded that, given the expert's professional background, they're appropriately qualified in order to assist Aviva in determining the value of Ms S' paintings and sketches and this claim. Our service thinks it's right for an insurer to instruct an expert with relevant expertise to assist it in determining the value of a claim. Here, I'm satisfied Aviva acted fairly when it appointed its antique valuer to assist it with this claim.

The valuation report that Aviva has shared with our service from its antique expert contains a full breakdown, which details each painting and sketch and explains how the value of each has been determined. The report spans to 28 pages and is comprehensive and well reasoned. And it's much more extensive than the previous report that Aviva relied on when it offered to settle Ms S' claim for £5,000.

In contrast, the report that Ms S seeks to rely on in support of her claim value is absent a detailed breakdown or information about how the value of the paintings and sketches has been determined by the valuer. This lack of detail means it's difficult to understand how Ms S' paintings and sketches have been valued or how the valuer has demonstrated fair market value. I'm persuaded that this causes doubt about the reliability of the valuation Ms S has shared with Aviva and our service. This means I've attached less weight to it.

Aviva's appointed expert has helpfully provided an appraisal of the market in their report. They explain that, having undertaken research dating back over 25 years, they were unable to source any retail or auction sales data relating to works by Ms S' late ex partner. I'm persuaded that the absence of sales data adds complication to any valuation. But Aviva's expert has demonstrated in their report that all possible sources of information have been reviewed and considered to determine the value of the paintings and sketches. This satisfies me the expert was fully informed when they drafted their report and reached their valuation.

In their report, the size and condition of each painting and sketch is set out clearly by the expert. I agree with our investigator that the expert explains how the characteristics or condition of the paintings and sketches would likely impact their value. I can see that, in their

report, Aviva's appointed expert went on to explain the processes required and the associated costs to improve the conditions of the paintings and sketches and how the level of restoration required, or the challenges to restoration would impact the value.

I agree with our investigator that Aviva's appointed antique expert has included comparisons against the artist's contemporaries and common expectations regarding the industry norms in their report. This information is also persuasive in explaining how the expert determined the value of Ms S' paintings and sketches.

Ms S has provided letters, written by individuals in 2021 and 2022 who were supportive of her exhibiting the paintings and sketches and who'd expressed a wish to purchase specific paintings or sketches afterwards. She contends that, because these letters of interest show what each individual would have paid for each painting or sketch, that's evidence of their value. But I'm not persuaded this evidence is helpful here. The letters post date the date of loss and I agree with our investigator that they don't represent a realistic desire to purchase Ms S' paintings and sketches in 2018. I'm sorry to disappoint Ms S but I haven't seen enough evidence to satisfy me that there were individuals who were willing to purchase her paintings and sketches in 2018.

In the overall circumstances of this complaint, I'm satisfied that the report from Aviva's appointed antique expert contains appropriate detail to explain why Ms S' paintings and sketches have been valued at £5,000. It follows that I'm persuaded it was fair and reasonable for Aviva to rely on that report in offering to settle Ms S' claim for £5,000 here. It should therefore pay that sum to Ms S, less any applicable excess, to resolve this complaint.

I realise that Ms S will be disappointed with this decision but I'm not upholding her complaint. This now brings to an end what we, in trying to resolve Ms S' dispute with Aviva, can do for her. I'm sorry we can't help Ms S further on this.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 5 December 2025.

Julie Mitchell
Ombudsman