

The complaint

Ms H complains about the way Aviva Insurance Limited handled a claim she made under her buildings insurance policy for subsidence.

Reference to Aviva includes its agents and representatives.

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.

Our investigator thought Aviva should pay an additional £300 compensation, to make £1,500 in total, and reimburse Ms H the cost of professional advice, plus interest. Aviva agreed to this, but Ms H didn't. I understand she thought more compensation should be paid.

I agree with our investigator, and for broadly the same reasons, so it isn't necessary for me to go over everything again in detail. Instead, I'll summarise the main points:

- Ms H made a subsidence claim in 2020. Aviva accepted the claim. I understand it went on to remove trees and repair drains thought to be the cause of the subsidence problem, and then carry out building repairs. The claim concluded in March 2022.
- By August 2022, cracking had reappeared. Ms H got back in touch with Aviva, and it agreed to continue the claim.
- After Ms H complained about the way the claim had been handled, Aviva responded in February 2025. It conceded there had been delays and poor communication and offered £1,200 compensation.
- As our investigator has noted, this decision is limited to the original complaint made, up to and including Aviva's complaint response in February 2025. I'll refer to this as 'the relevant time'.
- Ms H is entitled to make a new complaint about other matters, such as the way the claim has been handled since then or the price she's paid for the insurance policy.
- Aviva was required to handle the subsidence claim promptly and fairly. It's accepted it didn't do this throughout the relevant time. And, after our investigator's involvement, it's agreed to pay a total of £1,500 compensation.
- So it's not in dispute that Aviva acted unfairly during the relevant time. The question is what Aviva should do to put things right. In short, does £1,500 compensation go far enough in the circumstances? I'm satisfied it does, and I'll explain why.
- When the claim initially concluded in March 2022, Ms H was given a Certificate of Structural Adequacy. So I think it would have been reasonable for her to understand the subsidence problem had been fully resolved. And whenever an insurer carries

out a repair, I would expect it to do so in a lasting and effective manner in line with the longstanding approach applied by this Service.

- The damage returned within six months. So it's clear Aviva didn't provide a lasting and effective repair – despite providing the Certificate.
- When Ms H got back in touch with Aviva about the return of the cracking, it was slow to respond to her and to take the next steps.
- Ms H took advice from a structural engineer, who I'll call S, in late 2022. S recommended further investigations into the cause of the subsidence movement, followed by underpinning or ground stabilisation, and reinforced repairs to the building structure. Though Ms H sent it to Aviva several times, and specifically asked for it to be reviewed, Aviva didn't do that. Even when Ms H clearly referenced this point in her complaint to Aviva, it still didn't engage with S' advice.
- In late 2022, Aviva arranged for an arborist to provide advice. They said vegetation belonging to a neighbour should be removed. Aviva also said monitoring would be carried out. By June 2023, neither of these things had taken place. Nonetheless, Aviva said it was appropriate to carry out building repairs. It didn't explain why it thought a lasting and effective repair could be achieved without taking any of the other steps mentioned by Aviva or S.
- In December 2023, Aviva said it would carry out ground investigations. By the time of the complaint in early 2025, this hadn't been done. And there was no explanation for why that might be.
- Aviva began monitoring in late 2023, and this continued throughout 2024. In principle, I think that was a reasonable step to take to understand the nature of the movement – and how it should properly be resolved. A year later, despite monitoring being incomplete, Aviva thought it was appropriate to carry out building repairs – though Aviva still hadn't followed the arborist's recommendations, carried out the ground investigation it mentioned, or considered S' advice. Aviva went so far as to appoint a builder, who got in touch with Ms H to arrange the next steps – though it hadn't explained to Ms H that it had taken this step, or why.
- Aviva later said the monitoring had shown no significant movement. It didn't engage with concerns Ms H had shared about worsening damage, or any of the other points mentioned above, such as S' advice and the arborist's recommendations.
- Ms H's claim was dealt with by a considerable amount of different people for Aviva. Whilst it's entitled to handle a claim in this way if it wishes, this approach hasn't provided a prompt and fair service with timely and meaningful communication.
- Overall, it's clear this has been a poor claims experience for Ms H. There has been significant avoidable delays and repeated poor communication. That's compounded the disappointment of seeing the damage return so soon after repairs were completed and the Certificate was provided. As a result, I'm satisfied Aviva has caused a substantial amount of distress and inconvenience to Ms H.
- Bearing in mind the length of the delay, amount of poor communication, and the overall impact on Ms H, I consider £1,500 in total is a fair and reasonable amount of compensation for the distress and inconvenience caused during the relevant time.

- Ms H paid £840 for S' advice. Aviva has agreed to reimburse this amount, plus interest. Even if Aviva had engaged with the advice promptly, I think the earliest it would reasonably have reimbursed the cost is around 1 February 2023. So that's the date I'll set for interest to be calculated from.
- Ms H has suggested the delays may go on to cause financial losses. I understand no such losses had been incurred during the relevant time. So there's nothing for me to consider on this point at this time. If such losses do arise beyond the relevant time, Ms H is entitled to share the details with Aviva for consideration.
- At the time of the complaint response, Aviva initially said it was content to proceed to repairs, but Ms H was welcome to challenge that with a professional opinion if she wished. When she pointed out she'd provided S' advice several times already, Aviva agreed to consider it. I understand it also agreed to arrange the ground investigations it had previously mentioned, a drainage investigation, and to continue monitoring. Then to consider the claim position, taking all of that information into account, including what repairs would be appropriate.
- Taking that all together as effectively Aviva's suggested approach to progress the claim, I'm satisfied it's fair and reasonable in the circumstances.
- I know some of those steps have already been taken by now. Nonetheless, given the experience Ms H has had so far, I remind Aviva of the requirement to handle the claim promptly and fairly. So I wouldn't expect it to continue any of the poor claim handling examples noted above. On the contrary, I would expect it to take additional steps to ensure the claim is handled to a high standard through to conclusion. I think such action would show Aviva had truly heard and understood Ms H's complaint.
- As part of Ms H's complaint, she asked Aviva to confirm it would provide insurance to a future buyer of the house. Aviva said it couldn't guarantee that, as there were a number of underwriting factors to consider. I think that's fair in principle. And this point was hypothetical at the time of the complaint, as the process of selling the house and finding a buyer hadn't begun then. But I remind Aviva that I would usually expect it to seek to provide continued cover, in line with the guidance provided by the Association of British insurers ("ABI").

My final decision

I uphold this complaint.

I require Aviva Insurance Limited to:

- Pay £840 for S' advice.
- To this payment, add interest at 8% simple per annum, from 1 February 2023 to the date of settlement*.
- Pay a total of £1,500 compensation.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 31 March 2026.

James Neville
Ombudsman