DRN-6027835

The complaint

Mrs and Mr D have complained about the service provided by Aviva Insurance Limited ('Aviva') under their buildings insurance policy following an escape of water claim. For the avoidance of doubt, the term 'Aviva' includes reference to its agents and contractors for the purposes of this decision.

What happened

Mrs and Mr D were unfortunately faced with a distressing incident in August 2024 when it was confirmed by the relevant water company that a mains water pipe outside their property was leaking and flooding the subfloor of their home. The incident caused significant damage. Mrs and Mr D held insurance with Aviva at the relevant time and submitted a claim for the damage caused. Aviva accepted the claim, located the leak and fixed the source. Aviva then appointed a drying company to carry out certain works, however, unfortunately the property remained saturated in most areas and further strip-out were required.

Mrs and Mr D were unhappy about the service they'd received from Aviva and considered that the drying company had only carried out half of the expected work, had left floorboards and wires expose, left waste and also damaged a wardrobe in their son's bedroom. The work still hadn't been completed by the date of Aviva's final response letter in April 2025. Mrs and Mr D had incurred additional costs for electricity, oil and waste disposal. Aviva upheld elements of Mrs and Mr D's complaint and offered £900 compensation. Mrs and Mr D were unhappy about the outcome and referred their complaint to this service.

The service's investigator explained that he could only consider the complaint up until the date of Aviva's final response letter of 29 April 2025 and that anything that happened after that date had to be firstly referred to Aviva as a new complaint. The investigator partly upheld the original complaint as Aviva hadn't fully explained the payments it had made; however, he considered that £900 compensation was at an appropriate level.

Mrs and Mr D remained unhappy, and they considered compensation of £900 to be wholly inadequate. The matter has now been referred to me to make a final decision in my role as Ombudsman. I issued a provisional decision in December 2025 which stated as follows: -

'The key issue for me to determine is whether Aviva responded to its acknowledged service failures in a fair and reasonable manner by offering Mrs and Mr D compensation of £900 for the distress and inconvenience caused. On balance, and on a provisional basis, I don't consider this to be a fair and reasonable sum in relation to the impact of the significant service failures between September 2024 and April 2025 and I consider that this sum should be increased to £1,400 in total (£900 of which has already been paid). I'll explain why.
In reaching this decision, I've carefully considered the submissions of the parties, as summarised below. I turn firstly to Mrs and Mr D's submissions. They said that Aviva's drying company only completed half of the work on the schedule and then left a pile of insulation in their son's bedroom, which Mrs and Mr D had to bag and dispose of at their local waste site at their own cost. The downstairs floorboards had been left exposed with loose wires, creating trip hazards. The contractor didn't cover up the damaged floorboards and broke a wardrobe. Mrs and Mr D also stated that the fan heaters installed for drying were nothing

more than basic floor fans, 'not the industrial-sized dryers or dehumidifiers as promised' which they felt they'd been charged for. Mrs and Mr D considered that these were dangerous for a very young child in the home.

Mrs and Mr D said that the fans were removed after two weeks, 'but the walls still showed significant dampness, both visually and according to the damp reading equipment'. Whilst this had all happened in September 2024, Mrs and Mr D were still without flooring in May 2025. Their son's bedroom had been freezing all winter, as the contractors had removed insulation and, as a result, they ran out of oil which had cost over £600 and the electric bill of over £250 for the drying caused financial difficulties and hadn't been refunded as promised. The insulation disposal had also cost nearly £50.

Mrs and Mr D said their young family was at risk of injury due to exposed floorboards. They also said that the house was like a building site and 'constantly dirty and dusty because of the exposed walls,' as well as being unsafe, cold, damp and draughty. They said that Aviva had sent out six different contractors to assess the damage. The case was referred to a loss adjuster before Christmas 2024, but no decision had been made as to when and how Aviva was going to return the property to its original state. Mrs and Mr D said that the situation was severely impacting the family's health and well-being, and they listed items which they felt they'd had to purchase because of the delays, including an electric blanket and thicker quilt and firewood. Carpets also now needed to be replaced.

In conclusion, Mrs and Mr D wanted the house to be put back to its pre-incident condition, reimbursement for financial loss 'and a significant amount of compensation for the horrendous 9 months of stress and worry it has caused us as a family'. After the floor and skirting boards were ripped up, nothing had happened since, and their large family had now been squeezed into a caravan for several months. They felt that they were being treated as if they'd done something wrong and that it was somehow all their fault. They felt that they'd been left in an entirely unacceptable situation. They said they'd received payment for the oil and for the wardrobe, but there wasn't sufficient recognition of the upset the claim was causing. Finally, they referred to the Consumer Rights Act 2015 which provided that services must be carried out with reasonable care and skill.

I now turn to Aviva's submissions in response to Mrs and Mr D's complaint. It provided a chronology of key events. It explained that the claim had been registered in September 2024, a leak detection company investigated and sourced the leak, and it was repaired. Drying commenced, but it acknowledged that there had been issues with the moisture levels 'despite drying being completed' and that Mr and Mrs D hadn't been happy about the extent of the strip-out works and drying methods.

Aviva then appointed a loss adjuster in January 2025 as the remedial work was 'a lot more complex and extensive than initially thought'. Its drain contractors attended, found no leak but didn't carry out a drain survey, and another drying company attended. The loss adjuster's report was received in March 2025. It said that, unfortunately, 'the issue seems to be that they are unsure what is causing the further damp issues at your property'. It surmised that the problem may be to do with rising damp or an external source, and it was felt that further investigations were necessary before drying could commence. However, it agreed that unwarranted delays had occurred during the claim's progress and that 'CCTV investigations should have been considered a lot earlier in the process'.

By April 2025 however, Aviva's agents had confirmed that no issues were identified with the drains and that it was satisfied that drying could begin and a new drying company was appointed. as it agreed the initial work wasn't to the level it would expect, and this would be reviewed by the regional performance department. It eventually paid Mrs and Mr D for additional heating as it recognised that due to strip-out works, the property was draughty and

cold, and led to excess use of the oil-fired central heating. Aviva also offered £900 in compensation in recognition of the upset and inconvenience caused.

As to relevant reports on the file, events were summarised in Aviva's agent's report of March 2025. The report noted in detail the drying and stripping-out works that would be required on the ground floor. It also stated certain contents would need to be stored so that work could be done. Aviva didn't consider it feasible for Mrs and Mrs D to live in the property when this work was being done because of the presence of small children and the amount of work that needed doing. From the loss adjusters report of January 2025, the reinstatement work would then involve replacement of laminate flooring in the downstairs bedroom, hallway and dining room, as well as flooring in the living room. Skirting boards in affected rooms were also to be replaced which, in turn, would affect wall and woodwork decorations.

I now turn to my reasons for provisionally upholding this complaint. Unfortunately, escape of water incidents of this nature do, in themselves, cause significant upset and disruption. Investigations, drying works, stripping out and reinstatement can inevitably take some months. In addition, identification of the underlying cause of water ingress to a property is not always straightforward. In this case, the complaint period which I must consider is between September 2024 and April 2025. In summary, whilst the initial contractor had been appointed relatively promptly, I'm persuaded by Mrs and Mr D's evidence that the contractor's methods had been poor and the strip-out hadn't been adequate. Aviva's subsequent reports about the extent of the outstanding works support this conclusion.

In addition, I consider on a provisional basis that in view of the extent of the damage to the home, it would have been prudent for Aviva to have ensured, at the outset, a drainage CCTV survey and thorough investigative work to pin-point the cause, to appoint a loss adjuster, and then to carefully plan the works and provide the customer with a realistic time-scale for completion of all works. This didn't happen here and is likely to have led to unnecessary delays of a period of some months. In the circumstances, whilst the incident itself would no doubt have caused considerable distress and worry, I'm satisfied that the insurance claims journey was poor in this case and would have added further distress and worry. Aviva acknowledged its service failings.

The key question for me to address is whether compensation of £900 was fair and reasonable in the light of the unnecessary stress and inconvenience caused to Mrs and Mr D and their family due to Aviva's failings as above. I note that Aviva did provide certain payments in relation to additional heating and a damaged wardrobe and that there will no doubt be further payments to be made as the claim progresses. I also note that Mrs and Mr D were able to stay in their home for the period in question, albeit it was in a poor state for the whole period.. I note that Mrs and Mr D had a young family, and that the property had been left cold and draughty and with exposed wires and floors and stripped-out areas.

Whilst I'm satisfied that some delays were inevitable, the lack of any real progress due to the inadequate attempts of the first contractor, and lack of initial loss adjuster input meant that the reinstatement project was delayed by several months, and this would have caused additional stress and worry over the Christmas period 2024. A realistic plan for the works and timetable had still not been provided by April 2025.

The service's published guidance on awards of compensation is the starting point. An award of up to around £750 in compensation is considered fair where the impact of a mistake has caused considerable distress, upset and worry with the impact lasting over many weeks or months. However, a higher award is also likely to be fair where the impact of a mistake has caused substantial distress, upset and worry, with serious disruption to daily life over a sustained period. In this case, I consider that the failed initial attempt to dry the property had a knock-on effect in terms of the progress of the claim and daily life over many months up to

April 2025. This undoubtedly caused Mrs and Mr D substantial distress and worry, particularly as there were young and vulnerable individuals in the home. I've no doubt that the family therefore suffered what they termed 'sustained disruption, distress, and a significant decline in our quality of life'.

In the circumstances, on a provisional basis I consider that compensation totalling £1,400 (of which Aviva has already paid £900) would provide a fairer response to the service failures caused during the first 8 months of Mrs and Mr D's claim. I would stress that this decision only deals with the complaint about service failures by Aviva between September 2024 to April 2025. Any complaint about the period following April 2025 will be dealt with separately.'

I then provided both Mrs and Mr D and Aviva with the opportunity to provide further submissions and/or evidence in response to the provisional 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.

Mrs and Mr D didn't provide a formal response to this specific complaint following issue of the provisional decision, although their MP has asked for and has received an update on progress of this and their further complaint.

Aviva briefly responded as follows. It noted the service's position that a higher award is likely to be fair where the impact of a mistake has caused substantial distress, upset and worry, with serious disruption to daily life over a sustained period, however Aviva considered that it had indeed provided a higher award of over £750. It said that when calculating the amount, it had increased its initial offer to £900 and that *'this was to ensure it was under the correct bracket, taken from your website'.*

It noted the wording of the guidance being that *'an award of over £750 and up to around £1,500 could be fair where the impact of a business's mistake has caused substantial distress, upset and worry – even potentially a serious offence or humiliation. There may have been serious disruption to daily life over a sustained period, with the impact felt over many months, sometimes over a year'.* Aviva stated that, given the timeframe of this complaint, being from September 2024 until April 2025, it felt that £900 was a fair and reasonable offer, however it accepted that once it received a final decision, it would proceed with the service's recommendations.

Whilst I acknowledge Aviva's further submissions, I'm satisfied that in the circumstances of this case, the business failures had a severe knock-on effect upon Mrs and Mr D and their family over many months, including over the winter period, where there were young and vulnerable individuals in the home. In the circumstances, I remain of the view that the provisional decision provided a fair and reasonable outcome to this complaint. I appreciate that Aviva had already accepted that it should pay a significant amount of compensation. However, I don't consider that £900 fully recognises the impact of Aviva's service failures in relation to the original complaint, and I'm satisfied that it should pay a further sum of £500.

My final decision

For the reasons given above, I uphold Mrs D and Mr D's complaint, and require Aviva Insurance Limited to pay an additional £500 in compensation (in addition to the £900 already paid) in response to their original complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr D to

accept or reject my decision before 9 February 2026.

Claire Jones
Ombudsman