

The complaint

Mr H complains about the way Aviva Insurance Limited ('Aviva') handled a claim he made under a property insurance policy.

What happened

Mr H owns a tenanted rental flat which is insured with a buildings policy underwritten by Aviva. He raised a claim in July 2024 after a damp patch was noted on the property's kitchen ceiling. In October 2024, a leak in the flat above Mr H's property was identified; and by November 2024 water ingress had worsened to the point that mould developed, and Mr H's tenant moved out. Mr H raised a complaint which Aviva responded to in January 2025 and awarded £400 compensation for delays in identifying the cause of the damage.

Aviva then appointed a loss adjuster in March 2025, and it was concluded that the damage was linked to a leak from the kitchen above Mr H's property. A strip out and reinstatement works were recommended to most of the flat, but not to the bathroom. Mr H said the true cause of the water ingress was not properly identified until June 2025, when further investigations arranged by the freeholder of the block identified issues with the rainwater and soil pipe arrangement. Mr H said Aviva failed to properly investigate earlier and that this delay caused additional damage and disruption.

Mr H raised a further complaint to Aviva which they responded to in June 2025. They said that following the previous complaint, the claim had been passed back to their claims department who had agreed to review the bathroom claim and requested an estimate for the repairs so they could review the costs and recommend the repairs and check if any bathroom damage had occurred. Mr H said he continued to experience delays and maintained Aviva had acted unfairly in failing to identify the cause of the damage earlier – so, he brought the complaint to this Service. He asked for Aviva to complete the drying and reinstatement works, waive his policy excess, and repay his expenses he said he incurred.

An Investigator looked at what had happened and recommended that the complaint be upheld, but that she was only considering what had happened up until Aviva's second final response in June 2025. In relation to those issues, the Investigator was satisfied the evidence demonstrated Aviva hadn't acted fairly and hadn't properly identified the cause of the water damage, causing delays. They said Aviva should pay an additional £350 compensation, as well as consider Mr H's expenses and financial losses as part of his loss of rent claim, subject to Mr H evidencing these. Finally, the Investigator felt it was fair for Aviva to deduct the policy excess Mr H was required to pay.

Aviva didn't provide any further information to consider in response to the Investigator's view of the complaint. So, it's been passed to me to decide.

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've reached the same overall conclusion as the Investigator and I uphold this complaint.

I want to start by acknowledging I've summarised Mr H's complaint in less detail than he's presented it and I've not commented on every point he has raised. Instead, I've focused on what I consider to be the key points I need to think about in order to reach a fair and reasonable outcome overall. I mean no discourtesy by this, but it simply reflects the informal nature of this Service. But I assure Mr H and Aviva that I've read and considered everything that's been provided.

I also need to set out what I can consider as part of this complaint. This is because Mr H has raised additional complaint points around the estimates he's provided and Aviva's proposed settlement offers. However, these points were not raised and responded to as part of the final responses I have considered that Aviva issued. And as the Investigator previously set out, Mr H would need to raise those concerns as part of a new complaint.

As such, I will focus on what I consider to be the crux of this complaint, which comes down to Aviva's handling of the escape of water claim Mr H raised. While Aviva did arrange a leak detection inspection in December 2024, Mr H says the water ingress continued and the property was later deemed to be uninhabitable and his tenant moved out. As the Investigator has previously set out, it appears there was uncertainty for some time about the precise source of the water ingress, which was only identified by the freeholder at a later stage.

I accept that Aviva, as an insurer, was entitled to rely on their professional reports. But where the damaged continued, I think it would have been fair and reasonable for them to reassess and investigate further. And I think that further investigations should reasonably have been undertaken sooner once it became clear the problem was ongoing.

Aviva has already acknowledged earlier delays in their first response to the complaint in January 2025 and they awarded £400 compensation. So, I don't need to make an extended finding here on whether Aviva's service fell short when they handled Mr H's claim initially, and instead I'll be considering the period up until the second final response in June 2025. I think it's fair to conclude that the claim continued to cause significant disruption to Mr H, and I'm satisfied there was additional inconvenience caused by the extended handling and lack of clarity around the source of the leak. I can see the investigator recommended that Aviva should pay an additional £350 compensation – so, I need to decide whether that's enough compensation to put things right.

In terms of making a compensation award, it's important for me to highlight that this Service doesn't punish or fine businesses. A compensation award is intended to reflect the impact a business's actions had on their customer. So, I've considered Mr H's testimony about how he says this claim affected him. Overall, I think an additional compensation award of £350 is fair and reasonable and is in line with the level of compensation appropriate to the delays Mr H has experienced. I'm also satisfied this additional award produces a fair and reasonable outcome to this complaint. That means I will direct Aviva to pay this sum to Mr H in order to conclude the complaint, in addition to the £400 previously awarded.

In respect of Mr H's remaining complaint points, I understand these relate to his policy excess of £2,500, as well as tenant related expenses and losses as part of his loss of rent claim.

I appreciate Mr H's concerns about how the claim was dealt with, and I can see he's said he feels that he should not have to pay the policy excess of £2,500. But even where I am satisfied Aviva's service felt short, I don't find that it would be fair or reasonable to waive the requirement for Mr H to pay the policy excess. This is because, in a normal claim process, a

policyholder is required to pay their excess as the portion of the claim they are contractually required to meet – and this isn't unusual or unreasonable. Ultimately, Aviva did undertake works to make good the damage. And while they did not identify the cause of the water ingress earlier, I find this is something I can address with compensation, and I do not find that it's unfair for Mr H to pay the portion of the claim he is required to pay.

Finally, Mr H says while Aviva has now agreed to cover loss of rent payments, they've declined to cover other financial losses such as electricity, water rates, and council tax. I can see the Investigator previously set out that Aviva should consider and refund these expenses, subject to Mr H demonstrating the tenant was responsible for them, plus 8% interest from the date they were paid until reimbursement. I find this to be a fair and reasonable conclusion to this particular complaint point, as it is in line with established industry practice for an insurer to pay the necessary associated expenses a tenant would have paid if the property had been rented, as part of a loss of rent claim.

Putting things right

In order to conclude this complaint, Aviva should consider and pay the reasonable costs Mr H submits evidence of in relation to financial losses caused by the tenant leaving the property, subject to Mr H demonstrating the tenant was responsible for them. Aviva should pay these in line with the loss of rent claim, plus 8% simple interest, provided they have not already been refunded (for example due to a Council Tax exemption). For the avoidance of doubt, this should include any additional energy usage needed to complete the drying and reinstatement works.

If Aviva pays such amounts, they should also pay 8% interest from the date they were paid until reimbursement and also pay Mr H an additional £350 compensation for distress and inconvenience.

My final decision

My final decision is that I uphold this complaint. I direct Aviva Insurance Limited to conclude the complaint in the way I have set out in the "Putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 6 May 2026.

Stephen Howard
Ombudsman