

The complaint

Miss M complained that Aviva Insurance Limited (“Aviva”) didn’t offer full indemnity for damage caused by an escape of water, under her home buildings insurance policy.

What happened

Miss M explained that she is a vulnerable adult caring for two young children. An escape of water was discovered when a neighbour found water leaking through his ceiling. The leak was found beneath Miss M’s bath. Isolating the leak caused damage to the bathroom, which meant she was without a toilet and bathing facilities. Miss M made a claim to Aviva but said temporary accommodation wasn’t arranged for over a week.

Miss M said that a settlement offer was made by Aviva. But this didn’t include an amount to cover all the tiles or bathroom furniture that had to be replaced. She said some items were partially covered, but this didn’t reflect her full loss. Miss M didn’t think Aviva had indemnified her for the loss she had suffered. So, she complained.

In its final complaint response Aviva said the items Miss M complained about weren’t covered by its policy. It explained that matching items cover is available, but Miss M hadn’t selected this cover when agreeing her policy. Aviva confirmed that it had included a 50% contribution toward the undamaged items. This was for wall plastering and a replacement toilet. But it said it wasn’t required to pay any more than this.

Miss M didn’t think Aviva had treated her fairly and referred the matter to our service. Our investigator didn’t uphold her complaint. He explained that Miss M’s policy didn’t cover matching items. He said Aviva had acted reasonably when offering a contribution towards the uninsured part of Miss M’s loss. But he didn’t think it needed to do any more than this.

Our investigator said Miss M’s remaining complaint points hadn’t yet been referred to Aviva for it to respond to. This meant he could not consider these points under this complaint.

Miss M didn’t agree with our investigator’s view. She said she had raised concerns repeatedly with Tesco and its claims handler about the service provided, unsuitable accommodation, and the vulnerability of her circumstances with two young children. She said Aviva hadn’t returned her to her pre-loss position and so asked for an ombudsman consider her complaint.

It has been passed to me to decide.

I issued a provisional decision March 2026 explaining that I was intending to partially uphold Miss M’s complaint. Here’s what I said:

provisional findings

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 my intention is to partially uphold Miss M's complaint. Let me explain.

There is no dispute from Aviva that Miss M suffered an insured loss caused by an escape of water. So, I needn't consider this further. I've focused on the settlement Miss M was offered and whether this reasonably reflects the cover provided by her policy.

Miss M's policy schedule shows that she selected Aviva's "Essentials" policy cover. Referring to her policy terms and conditions booklet it explains there are three types of cover. For the Essentials package no cover is in place for matching items. Miss M's policy is designed to provide cover for items that are damaged or lost due to an insured cause. It doesn't cover undamaged items.

Aviva's policy booklet explains that where 'matching items' cover is selected it will pay the cost to replace:

"..any undamaged items forming part of a sanitary suite.. fitted furniture or tiles in a toilet, shower room, bathroom, kitchen, utility room or bedroom when: insured damage happens to matching items of buildings in the same room or open area; and.. replacements cannot be matched."

Based on this information had Miss M opted for a policy with matching items cover, this will have paid out on the items she mentioned in her complaint. But the policy she chose doesn't provide this cover. In these circumstances I think it was reasonable that Aviva offered a 50% contribution towards the undamaged matching items. But there is no requirement for it to pay more. I'm sorry that Miss M has been distressed by this. But I can't fairly require Aviva to pay more than it offered.

In its submissions to our service Aviva said that Miss M's complaint was about the matching items issue only. It said the other issues have not been raised as part of this complaint and it has not investigated those issues.

Our powers are derived from the Financial Conduct Authority ("FCA") dispute resolution or DISP rules. Under these rules a complaint must first be made to the regulated business. If the customer isn't satisfied with its response, or it takes longer than eight weeks to respond, the complaint can then be referred to our service. So, to consider the additional issues Miss M has mentioned, I need to see that she raised these points with Aviva.

I asked Miss M to provide evidence of the complaint she had raised. I also asked Aviva to send further information so I could understand what Miss M had complained about.

Miss M provided information showing she raised concerns about a lack of communication and inadequate guidance whilst she was 'displaced'. This was prior to the complaint response she received in December 2025. Miss M informed Aviva that she was in a vulnerable position due to her health condition and caring for two young children with no functioning bathroom. She said the rental accommodation that was arranged was only booked for a specific period. Additionally, she raised a general concern about how the claim had been handled.

I'm satisfied that Miss M did raise these additional complaint issues. Aviva didn't refer to these points in its complaint response. I asked it to provide its comments on these concerns, which it did with a response from the supplier it used to handle the claim. It said Miss M was treated empathetically and that alternative accommodation ("AA") was provided for her and her children throughout the claim. The business said Miss M was given the option to seek her own AA when she mentioned the accommodation provided wasn't suitable, but she didn't act on its offer.

Aviva said its supplier didn't identify any delays and that it communicated with Miss M regularly, explaining next steps and policy conditions. The supplier emphasised that the claim was received and settled within five weeks, which included a complaint response from Aviva.

I've read the claim records to see what this information provided about Miss M's claim experience. The records show Miss M was identified as a vulnerable person at the outset with two young children. A note on the 24 November 2025 said Miss M was going to get a "reasonable" hotel for the next couple of days. She was instructed to keep the receipts so the cost could be refunded. The records refer to a disturbance allowance that was paid at £15 for her and £20 for her two children for two days.

The claim records show options for AA were identified on 25 November 2025. The notes indicate a hotel was booked for one week at this juncture. This was because the period of the claim was unknown. A note on 1 December says Miss M was due to vacate the hotel the following day. It says there appeared to be no further movement with the claim, and a query was raised as to whether Miss M was able to move back home or whether an extension to the AA was required.

A record dated 15 December 2025 refers to a call from Miss M asking how the AA would be handled going forward. She was told this could be discussed tomorrow. The final record is on 29 December where Miss M reluctantly agreed to accept Aviva's settlement offer.

From the records provided AA was put in place for Miss M. She was given the option of finding her own hotel initially with a refund promised for her costs. This was along with a disturbance allowance. I think this was reasonable. It's clear from what I've read that AA was needed due to the bathroom that was unusable. So, I'd expect Aviva to arrange this for the period the property was unliveable or until a settlement was agreed. The records show this was provided for. However, the notes indicate it was left until very late before the AA was extended on at least one occasion.

Given that Aviva was aware this was a stressful situation for Miss M with her health condition and caring for two young children, it should have ensured her AA was arranged in good time and communicated clearly.

Overall, I don't think it took an unreasonable period for the claim to reach a settlement. I understand Miss M accepted this reluctantly. But for the reasons I've already set out, I'm satisfied the claim was handled fairly. A complaint response was provided quickly and within the eight-week timeframe set by the FCA. But it didn't cover all the issues Miss M had raised. From what I've read I think the AA provision could have been communicated better. Because it wasn't, this caused Miss M additional distress in an already stressful situation. As mentioned, Aviva was aware of her circumstances and should have taken more care.

In summary, having considered all of this I don't think Aviva treated Miss M unfairly when it relied on its policy terms and agreed to settle her claim as it did. Communication around the AA provision should have been better. So, it's fair that it pays her £200 compensation for the distress this caused.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Aviva didn't respond with any further information or comments for me to consider.

Miss M responded to say that £200 compensation didn't reflect the impact all of this had on her and her family. She asked for this to be increased to £500.

Miss M highlighted the lack of toilet and bathing facilities. She said this made for a distressing and difficult situation for her and her children. Miss M reiterated the issues she described with the provision of AA. She said this was not a minor inconvenience but a significant and avoidable source of distress. In light of the vulnerable position she was in, Miss M said a higher standard of care was expected. She acknowledged the claim duration was not excessive. But said the support she received was poor.

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 that Miss M is dissatisfied with the level of compensation I set out in my provisional decision. I've thought carefully about what she said in her further submissions. But I did consider these points prior to issuing my findings.

Miss M's experience could have been improved with better communication from Aviva around the provision of AA. But I'm satisfied that £200 compensation is fair to acknowledge its service failure here. This means that my final decision is the same as my provisional decision and for the same reasons.

My final decision

My final decision is that I uphold this complaint in part. Aviva Insurance Limited should:

- pay Miss M £200 compensation for the distress it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 18 May 2026.

Mike Waldron
Ombudsman