

The complaint

Mr A and Ms W complain about Aviva Insurance Limited's handling of a claim made under their home insurance policy.

What happened

Mr A and Ms W have a home insurance policy underwritten by Aviva. This covers their buildings and contents, amongst other things.

They made a claim after an independent surveyor suggested that their home was being damaged as a result of subsidence. The claim is still on-going more than three years later.

Mr A and Ms W made a complaint to Aviva about the delays, a lack of communication about the progress of the claim, an unwillingness to address concerns about the attempted repairs and poor customer service.

Aviva provided a final response to Mr A and Ms W's complaint in December 2021. They've admitted failings in the way the claim was handled. And they offered £1,000 in compensation to Mr A and Ms W for their trouble and upset. They also agreed to pay for the independent surveyor's report commissioned by Mr A and Ms W.

Mr A and Ms W were still concerned and brought their complaint to us. Our investigator looked into it. He thought the complaint should be upheld because Aviva had made significant errors in the handling of the claim. But he thought the offer of compensation and payment for the report was broadly fair and reasonable.

Mr A and Ms W asked for a final decision from an ombudsman. They want Aviva to pay for two further reports they obtained relating to CCTV surveys of their drains. And they want Aviva to settle the claim in a way that puts them back in the position they were in before their house suffered the subsidence damage.

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 should say first of all that there's no real dispute here about the facts. Aviva have admitted they made mistakes in the handling of the claim which led to delays and caused significant trouble and upset for Mr A and Ms W.

And Mr A and Ms W aren't really disputing the amount of compensation which should be offered either. They've told us they're willing to accept this as long as Aviva settle their claim in a satisfactory manner and also pay for the two CCTV survey reports.

I believe Mr A and Ms W asked for a final decision because they were hoping that we'd instruct Aviva how to settle the claim and tell them to pay for the two CCTV reports.

However, as we've pointed out to Mr A and Ms W, the way our service operates is governed by the Financial Conduct Authority's (FCA's) dispute resolution rules.

Those rules, which we're absolutely bound by, say that we can't look into a complaint until the financial business concerned has had the chance to consider it and resolve it themselves (unless the business consents to our doing so).

At the time Mr A and Ms W made their complaint to Aviva – and then to us – Aviva hadn't yet been asked to pay for the CCTV survey reports. As I understand it, they've now been sent the reports and payment invoices. I expect they're now considering whether to pay for them or not.

We've set out in broad terms for Mr A and Ms W what we'd expect from Aviva here. If those reports inform how the claim is settled and what repairs are carried out, then it would usually be fair to ask Aviva to pay for them. But that's not something I can require them to do in this decision because Aviva haven't had the chance to resolve that issue themselves as yet.

The same principle applies when it comes to settling the claim. I understand Aviva are now intending to cash settle, based on a schedule of works previously drawn up by their contractors.

Again, we've explained to Mr A and Ms W what we think is usually fair in cases where the insurer wants to cash settle a claim. That is, they should usually pay what it reasonably costs the customer to get the required repairs carried out.

I know Mr A and Ms W have also asked Aviva to include some additional repairs in the schedule of works – particularly around damage to their landing.

It's not for me, at this stage, to step in and act as a loss adjuster for Aviva. I've no doubt they will now consider the evidence and information provided by Mr A and Ms W and calculate what they believe would be a reasonable cash settlement.

If Aviva refuse to pay for the CCTV reports and/or offer a cash settlement which Mr A and Ms W think is unfair or unreasonable, then they would be entitled to make another complaint to Aviva – and then bring it to us if they aren't satisfied with Aviva's response. To put it bluntly, the rules we operate under don't allow us to deal with hypothetical situations and/or what *might* happen in future.

Putting things right

Because Aviva and/or their agents made significant mistakes in the way Mr A and Ms W's claim was handled, I'm upholding this complaint.

Mr A and Ms W were caused a degree of distress and inconvenience as a result of those errors. And, as I say, there's no real dispute here that £1,000 is appropriate compensation for their trouble and upset from the outset of the claim through to December 2021 when Aviva issued their final response to Mr A and Ms W's complaint.

I understand Aviva have now paid for the initial surveyor's report commissioned by Mr A and Ms W. And I think it was a fair outcome that they should do so.

As I've explained above, in this decision, I'm not going to require Aviva to do anything now in relation to the CCTV survey report costs or in terms of the specifics of the claim settlement. Mr A and Ms W can make a further complaint if they're not happy with the way Aviva take things forward from here or if there are further significant and avoidable delays.

My final decision

For the reasons set out above, I uphold Mr A and Ms W's complaint.

Aviva Insurance Limited must pay Mr A and Ms W £1,000 in compensation for their trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Ms W to accept or reject my decision before 13 December 2022.

Neil Marshall
Ombudsman