

complaint

Mr O is unhappy with how Aviva Insurance Limited handled his claim made on his house insurance and he feels it hasn't offered enough to settle the matter.

background

There was a leak beneath the floor in Mr O's home. Aviva thought Mr O would only have to be out of his home for about ten days. But it was then found that, despite a drain repair, water was still entering the sub-floor of Mr O's home. The source of this water was then traced to the neighbouring house. The claim then stalled for a time and when repairs finally got underway Mr O wasn't happy with the contractors. New contractors were appointed but six months after the water was first found there was still no written plan for the repairs. There was then an incident a month later and no work has been done by Aviva since.

Mr O recently set out what he said he'd be prepared to accept in settlement of this whole matter:

1. Acceptance of the full detail and cost of work outstanding as set out in his independent surveyor's report (£40,827, inc VAT) provided to Aviva previously. With all costs bought up to date but allowing a deduction for previous payments made.
2. Provide alternative accommodation to cover the full period the surveyor has estimated for repairs – which Mr O says is four months.
3. Replacement of any damaged contents items at full retail new cost.
4. Full reimbursement of the cost of the independent surveyor report, £852 (inc VAT).
5. For Aviva to cover the cost for the 12 month inspections and any future costs and works in respect of damp and/or dry rot.
6. That only the costs related to the water damage are recorded against the claims history and not any of those related to re-work of fixing damage caused by Aviva's contractors.
7. A written apology from Aviva for the stress and inconvenience caused.

I took this into account, along with Aviva's responses to these seven points when I issued a provisional decision on Mr O's complaint. I looked at a number of specific repair issues and set out amounts that I felt Aviva had to pay. The parties have agreed with my findings so I'm now issuing this final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

1. *what work needs doing and at what cost*

I said that I understood why Mr O thought everything in his surveyor's report and schedule should be done but that I'd noted that the surveyor was instructed to record the condition of the property as a whole and list the reinstatement works needed. So I felt it was likely that some of the damage recorded, and related work scheduled for repair, might not be related to Aviva's contractor's poor work. I said though that there were more jobs on there, that were likely related to Aviva's errors, than Aviva had allowed for in the offer of settlement it had made (£7,947).

So I said that, in addition to its offer of £7,947, which I felt was fair for what was included within that, Aviva would have to pay:

- £130 to remove the existing fire surround and make good the area.
- £20 to replace a floor hatch.
- £255 to install kitchen appliances.
- £95 to skim the chimney breast in the front large bedroom.
- £150 to clean the property after the work is done.
- £150 to allow for rubbish, related to repair of the insured work to be taken away.
- £205 to sort the kitchen extractor and false ceiling.
- £585 to finish reinstalling the house alarm.
- An amount to replace the toilet seat included hinges, Aviva offered £50. That's fair.
- An amount to replace the bath (inc 2 rows of tiles), Aviva offered £300. That's fair.
- £1,320 to replace carpets.
- And following the responses, Aviva has offered £890 to replace blinds. That's fair.

The amount for the blinds is based on costs from Mr O's surveyor's schedule, for the rooms which I'm satisfied had blinds in before. So, there were wooden blinds in the kitchen as well as the front and box bedroom. It also includes £50 for replacing the vinyl strips from the vertical blinds in the lounge. I'm satisfied that's fair.

These figures (the total of which, including Aviva's £7,947 is £12,097) are without VAT. Once Mr O has had the work done he can send his final invoice to Aviva for VAT to be paid (assuming VAT was indeed charged). My adjudicator, separately to this decision, will give Mr O contact details for who this can be sent to.

There were a few things that Mr O had argued for but that I didn't feel Aviva had to do anything more about. Mr O hasn't challenged my decision on these items so I've just given a summary of my findings on these below.

I said that Aviva didn't have to pay for architraves and ceiling décor to be supplied and fitted as Mr O had likely agreed with it previously that he would cover this cost. I said I wasn't convinced that the first contractor damaged tiling, flooring and woodwork in the bathroom. I felt it was unlikely that Aviva hadn't supplied adequate amounts of skirting. I didn't think it would be fair to make Aviva pay anything more for sorting out the electrics at the property as it had never really been responsible for their installation in the first place.

I did have a question over the fire. However, Mr O has confirmed that he's received full payment for this so this issue falls away.

2. alternative accommodation

I noted Mr O's surveyor's report said five to six weeks would be needed. Aviva had offered to pay for ten, part of that time to allow for a contractor to be found. I said that was fair and the time period for this would start running once Aviva makes settlement to Mr O following my final decision (if he accepts it). I'm still satisfied that's fair.

3. damaged contents items

Some of Mr O's belongings were damaged by Aviva's first contractor. Aviva has agreed, following my provisional decision, to have Mr O's surveyor assess the contents when they come out of storage in order to determine what it needs to replace. Mr O has asked what Aviva will agree to pay for that as he's worried about being left out of pocket. However, my provisional decision was for Aviva to *arrange* for the assessment to be done. So Mr O shouldn't really have any upfront costs because Aviva will sort the fees out directly with the surveyor. Once this assessment has been done Aviva can then organise like-for-like replacements and/or settle with Mr O for the damaged goods that it's responsible for and based on what it will cost him to replace.

4. cost of surveyor's report

Aviva has agreed to reimburse this cost, £852, plus interest.

5. guaranteeing against future damp and latent damage

Aviva's first contractor did take up the whole of the ground floor but this was done in error, not because of damp. I've seen no good reason to think Aviva should reasonably be responsible for this item, at least not beyond its general and usual liability for the quality of the work it did complete at Mr O's home. I'm not going to make it pay this.

6. record only claim costs

Mr O's claim history should only include costs that have arisen as a result of the claim he made. Aviva will have to calculate what it would have cost it to reinstate Mr O's home if its first contractor hadn't done poor repairs and caused damage. In recalculating this, associated costs like loss adjusters fees and rent for the family to live elsewhere, will have to be taken into consideration and amended back to what they should always have been.

7. making up for what went wrong

I think Aviva did cause a lot of problems for Mr O in the early part of this claim and I note that, in an email to this service, it has apologised for this. I think it would be more appropriate though if it did this direct. But I don't think it needs to do any more than this and in saying that I'm particularly mindful of the things it has done since to try and make up for the severe errors it made at the start. Consequently, the only thing I think it needs to do now in this respect is present Mr O with a formal written apology for the distress and inconvenience he was caused by the poor work and additional damage that the first contractor did at/to his home.

my final decision

I uphold this complaint in part. I require Aviva Insurance Limited to:

- In respect of 1 above, pay Mr O a total of £12,097 for the work set out above.
- Once a VAT invoice for the above work is received, make a payment to Mr O equal to the VAT due for each of the items.
- In respect of 3 above, arrange for Mr O's surveyor to oversee the return of Mr O's contents in order to catalogue them and assess any damaged items to determine what Aviva Insurance Limited needs to replace. Replacement may then be done by provision of like-for-like goods or a cash payment sufficient to allow Mr O to buy replacements.
- In respect of 4 above, pay Mr O £852, plus 8% simple interest from 21 June 2016 until settlement is made. If it's thought this interest is taxable, Aviva Insurance Limited, will have to explain that and provide a statement so Mr O can reclaim that from HMRC if necessary.
- In respect of 6 above, reassess the claim costs, in line with what I've said above and amend the claim history on its own and any industry database.
- In respect of 7 above, provide Mr O with a formal written apology for the upset he was caused by the poor repairs and damage done by the first contractor.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 23 January 2017.

Fiona Robinson
ombudsman