

The complaint

Ms H has complained about Aviva Insurance Limited. She isn't happy about the way it dealt with a claim under her motor insurance policy.

What happened

Ms H made a claim under her motor insurance policy after her car was stolen in March 2021. Aviva looked into the claim and initially turned it down. It wasn't happy about the circumstances surrounding the theft of Ms H's car.

So, Ms H complained to Aviva and then this service about the delay and the fact that her claim had been turned down. While Ms H's complaint was under consideration by this service Aviva changed its mind and settled the claim and it offered her £200 compensation for its delay in dealing with the claim. Ms H has raised a separate complaint about the valuation of her car which is being investigated by Aviva.

Our investigator looked into things for her and upheld her complaint. She thought that Aviva's offer of compensation didn't go far enough, and she asked it to increase the compensation to £400. And she asked Aviva to pay 8% simple interest from the date Aviva agreed to pay the claim until the date of settlement.

Ms H accepted the investigator's position. But Aviva felt that its offer of £200 compensation was fair and highlighted that Ms H contributed to some of the delay in dealing with the claim. It also said that it shouldn't have to pay simple interest, and if it did have to pay interest it should only be up to the date it offered to settle the claim on a without prejudice basis.

As Aviva didn't agree the matter has been passed to me for review.

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 think the complaint should be upheld. And as Aviva has now agreed to settle the claim I won't go over the finer details of the circumstances surrounding the theft. But I'll concentrate on the delay and poor service provided by Aviva and whether its offer of £200 compensation is fair.

Aviva is entitled to make reasonable enquiries following a theft claim under the policy. And having looked at this case I can understand why its investigation was necessary. It appointed an investigator to consider the circumstances surrounding the theft, interviewed Ms H, and gained information from the police. And while I can understand this I think that its investigation took too long and ultimately it was happy that the theft was genuine and looked to settle the claim.

Aviva has acknowledged some of its delays when it offered £200 by way of compensation. But I agree with our investigator that the compensation level should be increased. I accept

that Ms H may have contributed to some of the delay, but she was left without a car, chasing the claim and in a difficult position for a period of about eight months. So, I feel £400 (total), including loss of use, seems fair in the circumstances.

Finally, our investigator outlined that Aviva should look to pay interest from the date it agreed to pay the claim until the date of payment. However, and I've communicated with Aviva separately about this, I actually think the fair and reasonable thing to do is for Aviva to pay interest for the time Ms H has been without payment (the date of loss) until the date it made its without prejudice offer. I say this because Ms H was without the money due under the policy from the date of loss until Aviva made its settlement offer.

My final decision

It follows, for the reasons given above, that I uphold this complaint. I require Aviva Insurance Limited to pay Ms H £400 compensation and to pay 8% simple interest from the date of loss until it made its settlement offer to Ms H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 28 April 2022.

Colin Keegan
Ombudsman