

## **The complaint**

Mr R is unhappy with the way Aviva Insurance Limited (Aviva) handled a claim under his motor insurance policy.

## **What happened**

On 2 October 2020, Mr R reversed his car and a third party said their vehicles collided. They then made a claim for damage and personal injury. Aviva accepted liability based on the dash cam footage and paid the requested settlement amount for the damage. The personal injury claim was later withdrawn.

Mr R then complained to Aviva, in summary he said the claim was fraudulent and no collision or damage occurred. Aviva then reviewed their decision and asked their engineer to consider the damage the third party had claimed for. In response, the engineer said some of the damage was impossible to have occurred and other parts were improbable. So, Aviva agreed they should have done more to investigate the damage before they settled the claim.

To put things right for Mr R, they agreed to record the incident as notification only. They later explained to our service that due to what they believe is a technicality, the incident isn't showing on the Claims and Underwriting Exchange database (CUE) at all.

Mr R then referred his complaint to our service. In summary, he said he hadn't been treated fairly and to put things right, Aviva should pay him the same amount in compensation (approximately £4,400) they paid the third party insurer. He also feels they should investigate the claim further on the grounds of fraud.

Before our investigator reached her opinion, Aviva offered to pay Mr R £150 compensation to reflect the distress and inconvenience he'd experienced due to this matter. However, Mr R didn't think this offer went far enough. He said the claim had impacted his mental health and Aviva should have done more to investigate the matter and keep him involved.

Our investigator concluded Mr R had been offered a reasonable resolution to his complaint, so she didn't think Aviva should do anything more.

Mr R then requested a final decision. He provided detailed submissions explaining why he felt he hadn't been treated fairly, but our investigator's opinion remained the same.

So, I've considered the complaint afresh.

## **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.

Mr R has raised several points in response to our investigator's opinion. I have carefully reviewed each of these, but I won't address all of them in my decision. I'll focus on the points I think are central to the outcome of the complaint. I would also like to reassure Mr R and

Aviva that although I have only summarised the background and arguments in the section above, I have read and considered everything provided about this complaint in its entirety.

It isn't my place to decide who is actually liable for the accident at the heart of this complaint, that would be a matter for a court of law. What I'm deciding is whether Aviva have applied the terms and conditions of the policy reasonably and whether they have dealt with the claim fairly.

The starting point is the agreement between Aviva and Mr R - the policy's terms and conditions. Under the terms of the policy, Aviva can independently decide whether to defend a claim or settle it. This might mean Aviva makes a decision that Mr R disagrees with, as has happened here. I don't find this unusual or surprising as most motor insurance policies allow insurers to consider claims in this way. That said, we expect an insurer to reasonably investigate a claim and consider the evidence available before making their decision on liability.

Aviva have accepted they should have done more to investigate the damage the third party claimed for, before they settled the claim. They also decided to record the claim as a notification only incident instead of a fault claim. I think this was appropriate as a notification only record means an insurer has been notified of an incident, but no claim has been pursued. While this isn't technically accurate here as Aviva settled the claim, it means Mr R hasn't been disadvantaged by their decision. I wouldn't expect Aviva to remove all record of the incident as it's clear they were contacted about it. While Mr R will strongly disagree with me, I'm also satisfied the dash cam footage suggests an incident occurred. In any event, it appears no record of the incident is currently showing on CUE.

I don't need to decide if Aviva acted fairly by accepting liability for the claim in the first instance, as they've since decided to classify it as a notification only incident. As the matter is now closed, I also wouldn't reasonably expect Aviva to carry out any further investigation.

I appreciate Mr R is unhappy Aviva settled the claim, before investigating the damage the third party claimed for. I agree they should reasonably have done so. I know this claim has caused Mr R upset and I was sorry to hear it's impacted his mental health. Aviva have offered him £150 compensation to reflect the distress and inconvenience this matter has caused him. I'm satisfied this is a fair amount as it's like what I've awarded in other similar circumstances.

I don't see any reasonable grounds for directing Aviva to pay Mr R, the same amount they paid the third party insurer as that wouldn't be proportionate or fair. I should also stress that we don't punish insurers or regulate them. If an insurer has made a mistake as they've done here, we look to see if they've done enough to put things right. And for the reasons I've explained – I'm satisfied they have. Aviva agreed to report the matter as a notification only incident and have also offered to pay Mr R £150 compensation. Under the circumstances, I'm satisfied this is all I'd reasonably expect them to do.

### **My final decision**

Aviva Insurance Limited have offered Mr R £150 compensation to resolve this complaint. I think this amount is fair and reasonable. So, I direct them to pay Mr R £150 Compensation – if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 15 June 2022.

Claire Greene  
**Ombudsman**