DRN-3607304

The complaint

Mrs K has complained about the way Aviva Insurance Limited handled a sickness claim that she made on her mortgage payment protection insurance policy and the amount of compensation it has offered her.

What happened

Mrs K made the claim in January 2020. Due to poor communication and failing to follow up promised actions, she had to regularly contact Aviva to chase progress on the claim and the continuing monthly payments, causing her to raise a number of complaints. Aviva addressed these complaints at the time, paying Mrs K a total of £225 in compensation. Having returned to work in September 2020, Mrs K then had to stop work again in November 2020 due to the impact of the treatment she was still receiving. When she contacted Aviva again to continue the claim, she faced further communication issues and delays, resulting in her making another final complaint. My understanding is that Mrs K has now received the full benefit available under the policy and the claim has closed.

In its final response to her complaint on 18 June 2021, Aviva upheld Mrs K's complaint and acknowledged a series of failings throughout the claims process. To address the further problems that continued when Mrs K tried to re-open the claim, Aviva apologized and offered an additional sum of £200 in compensation.

Our adjudicator looked at what had happened and didn't think that £425 was enough to compensate Mrs K for the distress and inconvenience she'd been caused. He therefore recommended that Aviva should increase its offer to £500, to which Aviva agreed.

Mrs K disagrees with the adjudicator's opinion and so the complaint has been passed to me for decision.

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.

It's not in dispute that Aviva's handling of Mrs K's claim was poor. Aviva has itself fully acknowledged that its service wasn't up to the standard that Mrs K should have been able to expect. The question is what the appropriate level of compensation should be.

Mrs K made the claim because she was suffering from a serious illness that involved having major life-changing surgery and debilitating follow up treatment. This was a distressing enough situation by itself, but on top of that Mrs K was having to try and deal with Aviva to ensure that her claim payments would be made each month. Mrs K has said that this added stress and confusion to the situation which impacted on her mental and physical health.

I have no doubt that Mrs K has been through the most harrowing time which was compounded by the poor service she received from Aviva. However, as our adjudicator has

already mentioned, it is not our role to punish the business. Instead, our role is to make an award that recognizes the impact that Aviva's errors had on Mrs K.

This service tries to be consistent when awarding compensation and our approach is set out on our website. I appreciate Mrs K feels very strongly that Aviva should pay her more. However, £500 is within the range that we would award where the impact of a mistake has caused considerable distress, upset and worry. As such, I agree with our adjudicator that £500 is a fair and reasonable amount for the impact that Aviva's errors and delays had on Mrs K.

My final decision

My final decision is that I uphold Mrs K's complaint and require Aviva Insurance Limited to pay Mrs K £500 compensation in total. I understand that it has already paid £225 so it should now pay Mrs K the balance of £275.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 16 September 2022.
Carole Clark
Ombudsman