

## **The complaint**

Mrs T has complained about the way Aviva Insurance Limited (Aviva) dealt with a claim she made on her motor insurance policy.

All references to Aviva include its agents.

## **What happened**

Mrs T made a claim on her motor insurance policy on 18 February after she was involved in an accident. Aviva arranged for the car to go to a garage, but the garage said it had no capacity to carry out the repairs. There were further delays in the car getting collected and taken to another garage and this meant that the repairs didn't start until over a month later.

The garage told Mrs T that her car keys were damaged while the car was being transported to it, so Mrs T complained to Aviva about this and about the delays. Mrs T says Aviva offered her £150 compensation for the delays and also agreed to replace the keys.

When the car was returned to her in early April, Mrs T contacted Aviva to complain that her V5C certificate (the vehicle log book) was missing as was her car's service history booklet. Aviva raised this with the salvage agent that had collected the car but didn't address the complaint until 22 April when Mrs T asked for an update.

The V5C was located but the service booklet was not. Aviva initially offered Mrs T £75 for the loss of her car documents which it later increased to £200. It also offered to write a letter to her to confirm that it had lost her car's service history. Mrs T told us that Aviva also told her that if she came to sell her car and it was worth less than it would have been if it had its service history she should ask the garage buying the car to state the price difference.

Mrs T didn't accept Aviva's offers. She said her car was worth 20% less without the service history and that a letter from Aviva wasn't a substitute for this. She said this had been confirmed by garages that she had spoken to.

Mrs T then complained to us and said she wanted to be compensated for the reduction in the resale value of her car and for all the time, inconvenience and stress she had suffered. She added that she also had to change her car's cambelt as she had no record of when it had been last changed.

One of our Investigators reviewed the complaint and thought that Aviva's offers for the delays and for the distress and inconvenience caused by the loss of the service booklet to be fair and reasonable. She asked Aviva to provide a letter to confirm the documents had been lost whilst in its possession, as Aviva had already offered to do, and also said that she couldn't ask it to compensate Mrs T for the reduction in her car's value as the loss hadn't materialised yet. She agreed with Aviva's offer of reviewing the matter at the point when Mrs T sold or traded the car in. She said that if Mrs T was unhappy with Aviva's offer at that stage she could raise a further complaint. Our Investigator didn't agree that Aviva should compensate Mrs T for the cost of the cambelt and said there was no way of knowing it needed replacing at that point.

Mrs T didn't agree and asked for an Ombudsman's decision. She said she understood that the loss may not have materialised yet but her car, as an asset, is now worth considerably less. She said she will never be able to prove or provide evidence of any loss when she comes to sell her car. In terms of the cambelt she said she couldn't risk it snapping as it could have destroyed the engine.

### **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've decided that Aviva's offers to Mrs T are fair and reasonable in the circumstances. I understand that this will come as a disappointment to Mrs T but I explain below how I arrived at this conclusion.

I understand that, after her complaint to us, Mrs T found out that her car was mistakenly categorised as a category N salvage but Aviva has since confirmed that this marker has been removed. I think this is fair and reasonable. I also understand that Mrs T is unhappy with the quality of repairs that were carried out on her car. As this is something she raised after she complained to us, as our Investigator said, it is something she will have to raise with Aviva first and then us if she is unhappy with its response.

I don't think Aviva disputes that there were delays in Mrs T's car going in for repair and also that her service history booklet was lost whilst in the possession of one of its agents- and therefore that it is its responsibility. So I will look at whether the compensation it offered Mrs T is fair and reasonable in the circumstances.

Mrs T's car went in for repairs over a month after Mrs T made a claim to Aviva. I think those delays were unreasonable and outside Mrs T's control. And for that reason I think Mrs T is entitled to compensation for the distress and inconvenience she suffered.

Mrs T suffered the added distress of discovering that her car's service history had been lost. I think this is also something she should be compensated for. Aviva offered to write a letter confirming the documents were lost whilst in its possession and I think this is fair and reasonable. Overall I think the £150 and £200 Aviva has offered Mrs T for the distress and inconvenience it caused her is fair and reasonable and in line with what I would have awarded in cases with similar delays and poor service.

Mrs T says that £200 does not cover the loss of value that her car has suffered. She said her car was worth around £8,500 at the time of the accident and that the loss of the service book meant it was now worth 20% less- which is more than £200.

I agree that the loss of service history can affect a car's value but I think this becomes less important as the car gets older and may have no material impact after a few years. Mrs T's car is nine years old and so I think the impact of this will be less than it would have been if the car was new. In any event as our Investigator said I don't think it would be fair and reasonable for me to ask Aviva to compensate Mrs T for this as this loss has not yet materialised. And until it does when Mrs T sells or trades her car in, we won't know what the impact has been, if any at all. I also think that Aviva's offer to review the matter as and when Mrs T does sell her car to be reasonable. Mrs T said it will be hard for her to prove her loss at that stage but I think Aviva's suggestion that the new buyer provides some evidence to show their offer is lower as the car doesn't have full service history to be one way of tackling this. But there are also other tools insurers can use to determine whether or not a car was sold below its market value.

Mrs T said she had to replace her car's cambelt as she didn't know when it was last replaced and didn't want to risk it snapping. I understand why Mrs T wants to be cautious when it comes to her car but I don't think it's reasonably foreseeable that the loss of the service history would lead to the cambelt having to be replaced. Also, as our Investigator said there is no way of knowing that replacing the cambelt was necessary at this stage and also as Mrs T said it may have needed replacing in a few years in any event. So, it's a loss she may have suffered in any event. For these reasons I won't be asking Aviva to compensate Mrs T for this.

### **Putting things right**

Aviva insurance Limited must pay Mrs T £350 and if it has already paid part of this it must only pay the balance. It should also provide Mrs T with a letter explaining that the loss of her car's service history happened whilst it was in its possession. Aviva Insurance Limited has also said it will review the matter if/when Mrs T comes to sell her car.

### **My final decision**

For the reasons above, my final decision is that Aviva Insurance Limited's offer to provide Mrs T with a letter confirming her car's service history was lost while in its possession and its offer to review the matter once/if Mrs T comes to sell or trade her car in to be fair and reasonable. It should provide the letter to her if it has not already done so. I also think it's offer of £350 in total for the distress and inconvenience it caused Mrs T to be fair and reasonable in all the circumstances and it should pay that (or the balance if it's only paid part of it) if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 25 November 2022.

Anastasia Serdari  
**Ombudsman**