

The complaint

Ms W complains about how Aviva Insurance Limited handled a claim she made on her motor insurance policy.

Reference to Aviva includes its agents.

What happened

Ms W holds a motor insurance policy with Aviva. When she was involved in an accident with another vehicle, she contacted Aviva to make a claim.

Aviva accepted the claim and based on the circumstances thought Ms W wasn't at fault for the accident. Ms W initially wanted her car repaired.

Aviva offered to settle the claim by paying a cash in lieu (CIL) payment of £4,92.25 or have the car repaired by one of its approved repairers.

But, while Ms W wanted to keep the car and repair it using her choice of garage, the amount offered as a CIL settlement was significantly less than the amount three garages had quoted her for the repairs. And less than what an engineer's report estimated too.

Ms W complained to Aviva to increase its offer, but Aviva didn't change its stance and maintained it acted in line with the policy.

Ms W remained unhappy, so, she brought her complaint to us.

One of our investigators recommended Aviva write the car off and pay Ms W its market value. He said the engineer's report that Ms W provided showed that the car was a CAT S write off. He also recommended Aviva pay her £350 compensation and reimburse her for the cost of the engineer's report.

After our investigator issued his opinion on Ms W's complaint, she let us know that her claim was settled directly with the third party, so she didn't want or need Aviva to deal with the repairs to her car. But she accepted the remaining compensation our investigator recommended.

Aviva didn't agree. It said the report Ms W paid for wasn't needed, and it thought the compensation was too high, so, it asked for a final 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.

Having done so, I'm upholding it. I'll explain why.

- It's ultimately Aviva's decision whether or not it repairs the car, pays a CIL settlement or writes the car off. That's clear in the policy. But any decision it makes must be fair.

So, if it does offer a CIL settlement, that amount needs to be reasonable.

- Aviva is also not obliged to pay more in a CIL than it would to pay its own repair network to carry out the same repair. But it still needs to evidence the amount its own repairers would charge would complete an effective repair.
- In this case, I'm more persuaded by the evidence Ms W has provided. Her estimates were much more than what Aviva were offering her, and the engineer's report she had commissioned also set out costs for repair much higher than what Aviva had put forward.
- That report also recommends the car be deemed a CAT S write off. I understand Aviva thinks that report wasn't needed. But I disagree. We'd expect strong evidence to support any claim, and if Ms W wasn't happy with Aviva's offer, both us and Aviva would expect her to evidence why. As the third party settled the claim directly too, in line with this report, I'm more persuaded it was needed, and that it evidenced why Aviva's offer was unfair. For that reason, I recommend Aviva reimburse Ms W for the cost of the report.
- Ms W was driving the car but was driving it less and she was worried she was driving it unsafe. And as the report shows the car was a CAT S write off, she shouldn't have been driving it without it being repaired. That wasn't all within Aviva's control and the report Ms W commissioned clearly states the car is unroadworthy – so it was her choice to drive it knowing this information. But Aviva was the party in the position of knowledge in relation to how claims work, and armed with the report, it should have either written the car off or explained clearly why it didn't agree with its findings. So, I think it contributed to the distress and inconvenience Ms W experienced.
- Ultimately, as set out above, I'm more persuaded by the evidence provided by Ms W than the evidence provided by Aviva. Ms W's claim has since been paid for directly by the third-party insurer, so Aviva need not worry about that. But I do think it should have either written off Ms W's car or provided a comparable engineer's report countering the one Ms W provided. Because it didn't do this, Ms W has had to do much more chasing than would normally be expected and has been without the full use of her car for longer than expected too. For that, it should compensate Ms W £350.

My final decision

For the reasons set out above, I uphold this complaint and require Aviva Insurance Limited to:

- Reimburse Ms W for the cost she paid for the report upon receipt of the invoice (or equivalent) from Ms W showing what she paid and when she paid it.
- Pay Ms W £350 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 30 March 2023.

Joe Thornley
Ombudsman