

The complaint

Miss W has complained about her car insurer Aviva Insurance Limited in respect of a claim she made to it for damage to her car which was stolen but recovered.

What happened

Miss W's car was stolen in September 2021 but recovered about a month later. About a month after that Aviva issued a final response letter in respect of concerns with the claim raised by Miss W to that point. At that time Aviva was waiting on Miss W providing some documents. They were provided on 16 November 2021. Miss W should have been provided with a courtesy car by Aviva, but this didn't happen, even though Aviva had decided to repair her car. Into 2022 Miss W was still without her car and a courtesy car. In late April 2022 Aviva provided a courtesy car to Miss W and it was 23 June 2022 before the garage was able to confirm that her car was ready to be returned to her (although I'm aware that there was a further problem after this which Miss W and Aviva were able to resolve between them).

During some of that time Miss W was out of the country, but there were also times when she was at home without the benefit of a courtesy car. She complained to Aviva as she felt isolated, had had to miss work and had to fly home from abroad on one occasion to comply with Aviva's engineer's demand for her to inspect the car. She was also worried that, throughout this period, she was having to keep paying the finance on the car, along with all the insurance and tax – all whilst without having any benefit from it and because she'd likely have sold it once repaired. Miss W complained to us.

Aviva, following some initial findings issued by our Investigator, agreed to pay £200 compensation for upset. In further findings our Investigator said that Aviva should pay £420 as compensation for "loss of use" for Miss W not having had a car in November and December 2021 (£10 a day), reimburse one and a half month's road tax costs incurred at that time, and pay £567.50, plus interest as reimbursement of half of the cost of flights Miss W had to book to inspect the car. Which Aviva agreed to. But Aviva was not prepared to agree to another recommendation our Investigator made – to pay Miss W £5,850 in compensation for missing work because she didn't have access to a car. Where three jobs in total had been missed, and Miss W's gross earnings from which would have been around £20,000. In that respect Aviva said that Miss W should've used public transport.

Miss W remained generally unhappy. She felt she had missed a lot of work, so for her £5,850 was not enough. And she maintained that, in her circumstances she could not have used public transport and could not have, in fact had not been able to, hire a car. She explained again that she'd been struggling financially not least with, and because of, her continued car payments. She felt Aviva had left her in a wholly unfair situation which, as well as causing her to lose work, had been very upsetting and frustrating for her. She noted that when she and Aviva had resolved what had happened after June 2022, it, without question, had paid her £4,000 for one missed job. She said she wanted Aviva to have to compensate her for all three of the jobs she'd provided evidence for, all of her flight costs, and to pay her £3,150 as compensation for loss of use where the daily rate was £15, and the £200

recommended for distress and inconvenience. Her complaint was passed to me for an Ombudsman's consideration.

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.

I think Aviva failed Miss W here. She was entitled to a courtesy car and yet she was not provided with one, Aviva did not even attempt to provide her with one, for many months. I think it has accepted that it should've provided her one from 16 November 2021. All the while it had her car and the repairs took far longer to progress than they should have done. At least in part due to Aviva's failure to deal with the claim pro-actively in November and December 2021 as I reference below. I accept that all of that was frustrating for Miss W and caused her a lot of inconvenience. Much of which could have been avoided if the repair had been completed earlier or a courtesy car had been provided. So what I have to do here is decide what is fairly and reasonably required to make up for everything Miss W went through on account of Aviva's failures.

Miss W and Aviva have agreed to £200 compensation for distress and inconvenience. I think that is fair and reasonable. In saying that I note that Miss W was out of the country a lot after the end of December 2021, and Aviva did call Miss W to try and provide a courtesy car at the end of February – but Miss W said she would have to call it back.

I also think the loss of use award proposed by our Investigator is fair and reasonable. I note Miss W has asked for a higher rate to be paid and over a longer period. However, I'm not minded to say it would be fair for Aviva to compensate for Miss W not being able to use her car during periods she was out of the country. I know Miss W was out of the country over New Year, she returned for just a few days and then went abroad again. And it was from this trip that she had to return in February to inspect her car, and at this point Aviva did start trying to provide Miss W with a courtesy car. And the rate of £10 a day is a standard rate often applied in this sort of circumstance. I've seen no good reason to depart from that rate here and apply a higher sum. Aviva should have provided Miss W with a courtesy car on 16 November 2021 and she left the country on 28 December 2021. That is 42 days. So £420 is a fair and reasonable sum which I shall award to Miss W.

Aviva, in November 2021, seemingly had a concern as to whether some damage on Miss W's car was pre-existing to the incident. Aviva wanted to find an old report relating to a previous incident but also asked Miss W to attend the garage to inspect her vehicle. Miss W declined to do so. The report couldn't be found and, in late December Aviva decided to try again to get Miss W to inspect the car – but this was just a few days before Miss W was due to leave the country and by the time the matter was considered further in January 2022, Miss W was abroad and not due back until March 2022. It felt it was necessary for its engineer to speak to Miss W whilst she inspected the car. I think, in the first instance, this was not an unreasonable request from it. However, Miss W was not able to attend a meeting at that time. And Aviva didn't look to rearrange this in the period after, at least not until only a few days before Miss W went away. I don't think Aviva handled the claim well at this time, it should have been more proactive to progress things. And when the need to inspect was highlighted again when Miss W was about to travel and then was out of the country, Aviva didn't look to move things forward in any other way. Rather it insisted on the inspection going ahead, which meant Miss W had to fly home. I don't think Aviva's insistence on the personal inspection at that time was fair and reasonable. However, I bear in mind that Miss W did know in November that Aviva wanted her to inspect her car – and had she been a little more flexible in November, or even December, that inspection could have occurred long before she left the country. And she also returned home for a few days in January 2022 as well. So

I think it's fair and reasonable, on this occasion, for the parties to share the flight costs Miss W incurred. That share is a sum of £567.50 to which Aviva should add interest at 8% simple per year from the date Miss W paid for the flight tickets until this sum is paid to her.

Turning to Miss W's loss of earnings, and with regret for any disappointment this may cause her, I do think that she could potentially have done more to avoid not being able to attend those jobs. I understand that Miss W has to take a lot of equipment with her to any job and so it does seem that travelling by bus and train is not best suited to that. And I understand that she is a young driver, so finding a hire car would be more difficult for her. It would also likely require a deposit and I understand that Miss W has explained that she was struggling financially during this period. However, I note our Investigator was able to find a hire company that would have accepted Miss W and which would have charged a deposit which, at times during the period in question, Miss W did have funds available to cover. A deposit would have come off the bank account's available balance until the car was returned. And Miss W would only have needed a car for a day or two at a time. So Miss W wouldn't have been without the benefit of the deposit for very long. In exchange for that Miss W would have earned several thousands of pounds for each job. I think, in the circumstances, she should and could have done more to attend those jobs.

But I appreciate that Aviva's failure had left Miss W in a very tricky position and that she's said that whilst she tried to find a hire car – her searches at that time showed none were available. I appreciate that as April 2022 came around Miss W had been without her car or a courtesy car for a very long time. She'd also been expecting her car to be returned to her in its fixed state for quite some time too. So I accept it was likely tricky for her to know what to do in terms of trying in advance to book a hire car, and, of course the deposit amount set aside from her bank account would have been unavailable to her for longer in a scenario where she booked a hire car ahead of time. I accept that on at least one occasion, Miss W had such little funds in her bank account that she would most likely not have been able to hire a car. I take into account what Miss W would have earned but also bear in mind that is not what her net income from that work would have been. Bearing everything in mind, I am satisfied that requiring Aviva to pay Miss W £5,850 is a fair and reasonable way for it to compensate her for income she likely would have had but for its failures. I am also satisfied that to require it to pay any more than this would be unfair and unreasonable in all of the circumstances here where I am also satisfied that, despite its clear failures, Miss W could have done more to avoid any other losses which may have occurred.

I know Miss W is concerned about her finance agreement. And that she has had to pay this during the period of repairs. However, as our Investigator explained, by continuing to pay that, Miss W has reduced the amount owing to the finance company – which puts her in a better position when she sells the car. I know that she'll have had to pay insurance but her not having her car didn't mean that insurance was not of benefit to her. But regarding road tax I think Aviva should reimburse this to her for the month and a half it was causing the delay in progressing the claim during November and December 2021. At this time she had no car and it had not been clear with her about what was happening with her car, or what would happen given she had declined to inspect it. And without clear information Miss W couldn't make an informed decision whether to take her car out of tax. So, subject to Miss W showing Aviva proof that her car was taxed at the time, Aviva should reimburse her cost incurred for one and a half months' tax.

I know Miss W feels let down by Aviva. And I think it did fail her during its handling of this claim. I think it needs to act to put that right, and I'm satisfied that the awards I've described above and bulleted below fairly and reasonably do that.

Putting things right

I require Aviva to pay Miss W:

- £200 compensation for distress and inconvenience.
- £420 compensation for loss of use of a car.
- £567.50 as compensation for half of the flight costs incurred, plus interest* applied to this sum from the date the flights were paid for until settlement is made.
- £5,850 as compensation for lost earnings for missed work.
- An amount, subject to proof in reimbursement of her cost to tax her car between 16 November 2021 and 28 December 2021.

*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require Aviva to take off tax from this interest. If asked, it must give Miss W a certificate showing how much tax it's taken off.

My final decision

I uphold this complaint. I require Aviva Insurance Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 28 April 2023.

Fiona Robinson
Ombudsman