

## **The complaint**

Mr N complains about how Aviva Insurance Limited (“Aviva”) handled a claim under his car insurance policy. Mr N is represented in his complaint, but for ease I’ll refer to him throughout. When I mention Aviva I also mean its repairers and suppliers.

## **What happened**

In July 2022 Mr N’s home was broken into and the burglars stole a set of keys for his car.

They were disturbed during the burglary and left without taking it.

Mr N reported the incident to Aviva which then took his car into secure storage. Aviva then took his car to an approved repairer for the door and ignition locks to be changed.

Aviva couldn’t obtain the parts to replace the locks. After waiting for parts for five months, Aviva offered to buy the car from him and it offered £3,950. It also said he could continue to wait for the parts to arrive, or it would offer him cash in lieu of the repairs.

Mr N says he’s incurred costs for taxis and public transport and he’s had to pay for babysitters to look after his family. He has lost hundreds of pounds of income as he’s self-employed.

He asked that Aviva pay £6,000 to buy the car from him, which he says would be the value of it in a private sale.

Mr N brought his complaint to this service.

Our investigator looked into it and upheld it in part. He said he thought Aviva’s offer for the car was fair. He also said Aviva should pay an additional £100 compensation for mistakes it had made during the claim, making a total of £300.

Aviva agreed with the view, but Mr N didn’t. He asks for a figure near £5,100 for his car and all the costs he’s incurred on top. So, his complaint has been passed to me to make a final decision.

## **What I’ve decided – and why**

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Having read the file of evidence I’ve been provided, I’m upholding Mr N’s complaint in part. But it’s important that I say I’m not upholding the main part of his complaint about the car’s value. I’ll explain why.

I’ve read about what happened in the burglary which must have been a shocking experience

for him and his family.

Aviva's initial response was to recover his car and store it. I can see that there was a delay taking it to the repairer and I can also see Aviva offered Mr N £200 for this initial inconvenience, which Mr N declined.

Mr N's car is about 17 years old and I hope he won't mind me saying that it's a fairly rare model.

Aviva wasn't able to source replacement locks and keys for it. Aviva said this was due to the age of the car and disruption in the manufacturer's supply chain. I can see it wasn't able to work around the problem as locksmiths weren't able to cut keys made by the particular manufacturer. It seems to me that Aviva tried to resolve the situation but it wasn't able to obtain the necessary parts or solve it in any other way. I don't think it would be fair of me to say Aviva has acted unfairly in how it tried to move the repairs forward.

Because of the problems getting parts, Aviva took a commercial decision and offered to buy the car from Mr N in lieu of repairing it. It also offered Mr N that he could opt to take the car back with cash in lieu of repairs, but as it hadn't been able to change the locks and the burglars had the keys and knew where Mr N lived, it wouldn't be able to cover the car for theft.

It later said it should have made the various offers to Mr N earlier in the claims process, and it offered him £200 compensation for this. Mr N didn't accept this offer.

Mr N accepted that Aviva could buy the car, but he didn't agree with Aviva's valuation of £3,950. He said his car was in much better condition than average and he sent this service details of money he's spent on it in the last couple of years. Mr N has said that he thinks his car would be worth about £6,000 in a private sale, and he later said he'd accept a figure about £5,100. He provided evidence to Aviva of other vehicles, but Aviva said they were for newer models with lower mileage.

This service has an established approach to vehicle valuations. I can see from its evidence that Aviva has followed that approach when it's valued Mr N's car.

I've also looked at the evidence Mr N has provided about the condition of his car and I agree he's spent a substantial amount on it. But I've also thought about the age of the car and the mileage it has covered. I've said before that it's a fairly rare type, and at the mileage it'd covered I think it's fair to say that Mr N's care of it was more maintaining it rather than adding value. I say this because I can see invoices for repairing wheels, fixing rust, part of the transmission and re-finishing the upholstery, which are typically due more to age, mileage and use.

I don't doubt that Mr N cares a great deal about his car, but that can't form part of my considerations as to whether Aviva has made a fair offer about its market value.

Because the car is quite rare and at the upper end of the age range on the trade guides, I'm not able to access the full range of trade guide values. I can see the following values as at the date the key was stolen:

Company A - £4,440

Company B - £4,441

Company C - £3,950

I can also see that Aviva has provided evidence that similar cars have asking prices in 2022 below this figure. And that's their asking price rather than the price achieved in the sale, which is usually lower.

Aviva made a deduction from its assessed value because of some damage to the front bumper. The deduction was £226, which is much lower than the cost assessed to repair it (which was nearly £700).

I can see Mr N has sent a video mainly focusing on the rear bumper, which isn't damaged, and I can see in a brief glimpse in the video that the front numberplate seems to be misaligned. I can see from Aviva's photos that there is some damage around this misalignment. Mr N said the bumper must have been damaged while it was in Aviva's care, but I haven't seen evidence of this.

Taking everything into account, I think Aviva's offer to buy the car for £3,950 is fair and reasonable. I've not seen evidence that the car would be worth a figure more than the amount Aviva has offered given the damage to the front bumper and the likely costs of repairing it.

It's my understanding that Mr N also had access to two other vehicles during this time. He's said that one of them wasn't suitable for family use as it was a commercial type, and the other one was too small for his whole family. I can also see that he told Aviva that the car was mainly used at weekends.

It's important that I say Mr N hadn't chosen the option of having a courtesy car when he'd bought his policy, so he wasn't entitled to get one when his car had been recovered to a repairer. I've heard Mr N refer to this as Aviva letting him down, but it was his choice not to buy that option when he took out the policy.

Taking everything into account, I can appreciate Mr N's frustration that this claim and complaint isn't resolved yet. But I also think Aviva has acted fairly and reasonably during the claims process. It's offered compensation for its mistakes, which I understand Mr N has rejected, and it's tried various options to either fix the car or provide Mr N with a solution that's acceptable to him, and Mr N hasn't accepted those options.

I've thought about this service's guidelines on compensation and I don't think Aviva's offer is sufficient. I think it should pay an additional £100 on top of the £200 it's already offered for Mr N's distress and inconvenience. But I don't think it needs to increase its offer of valuation for Mr N's car.

### **My final decision**

For the reasons set out above, my final decision is that I uphold this complaint. I direct Aviva Insurance Limited to pay Mr N a total of £300 for his distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 18 October 2023.

Richard Sowden  
**Ombudsman**