

The complaint

S complains Aviva Insurance Limited delayed provision of a courtesy vehicle for a commercial motor insurance claim.

S is a limited company. Its complaint has been made by a director, via a representative. For simplicity I've referred to the representative's actions as being S' own.

What happened

In June 2023 a claim was made against an Aviva commercial motor insurance policy. A van used by S had been damaged. The claim for repairs was accepted. Aviva arranged a courtesy van – although it delayed doing so. The director of S complained to Aviva about losses resulting from being without a van for a period.

In response to the complaint Aviva accepted there had been an eight-day delay in providing a hire vehicle – during 12 June 2023 to 23 June 2023. It said it would consider paying losses for that period, on receipt of documentary evidence. It also accepted a smaller courtesy van had been provided. Aviva said it would consider losses resulting from that, again on receipt of documentary evidence. It added that alternatively it would be happy to pay £350 compensation.

S provided various information to Aviva to show its loss. But Aviva wasn't satisfied with the evidence provided. S referred the complaint to the Financial Ombudsman Service. It said it and its accountant had asked Aviva to explain what evidence it required but had never been given an informative response. To resolve the complaint it asked for the losses incurred due to being without a vehicle be covered by Aviva – around £1,800. It added that losses had caused financial difficulties. It didn't ask for consideration of the smaller courtesy van point.

Our Investigator considered the evidence – including bank statements for S. He said it wasn't possible to know the exact loss of earnings, but he was satisfied S earned less because of being without a vehicle for the period. The Investigator felt £1,850 to be a reasonable estimate of the loss. So he recommended Aviva pay that amount – plus simple interest – alongside the £350 compensation already offered. The Investigator shared the bank statements with Aviva, but it still didn't accept sufficient evidence of loss had been provided. As the complaint wasn't resolved it was passed to me to decide.

Aviva's also responded to a complaint about delays to repairs to the insured van. This decision doesn't consider that issue. Instead it focuses on the impact of S being without a courtesy vehicle for a period. If S would like the repair delay considered it should notify this Service.

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.

As this is an informal service I'm not going to respond here to every point or piece of

evidence S and Aviva have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

The policy terms say Aviva will provide a courtesy vehicle for the duration the insured vehicle is being repaired by Aviva's approved repairer.

As Aviva accepts its initial failure – delaying provision of the courtesy vehicle – I don't need to consider that issue – other than to say it did cause S to be without a vehicle for a period. Instead I've considered if it done enough to make up for the failure.

The key issue is Aviva, whilst accepting there was probably a loss, felt it hadn't been provided with enough supporting evidence. On the other hand S complains it provided evidence of loss and Aviva never, despite its enquires, specified what additional information it required.

I can see S did provide various information to Aviva – including estimates from its accountant of loss. I've seen that it was engaged and pro-actively trying to resolve the dispute. And I accept its complaint that Aviva failed to explain what information it required. It didn't, as far as I've seen, explain what it did require. So the failing here was Aviva's.

Since our Investigator issued his assessment Aviva's explained to this Service its requirements – certified accounts for a minimum of three months prior and after the loss period, quantifying and explaining the loss. These will be considered by its forensic accountant.

It would have been helpful if Aviva had explained this to S at an earlier stage. If it had done so, and S had failed to provide reasonable evidence in response, I might have reached a different outcome to this complaint. However, based on what I've seen I'm satisfied S would have taken reasonable steps to meet Aviva's demands.

As Aviva didn't explain to S what it required it isn't reasonable for it to continue to expect its exact evidence threshold to be met. As an informal resolution service we do expect a commercial complainant to provide a reasonable standard of evidence and calculation of loss – but we don't usually undertake a forensic accountancy. Having considered everything I'm satisfied S has done enough to evidence and quantify an approximate likely loss.

I've considered S description of its business – and its essential need for a vehicle. I accept being without one unexpectedly will likely have been a significant hinderance, likely resulting in an inability to undertake essential activities. I accept that likely resulted in a loss of income, expenses and ultimately profit. I've considered mitigation. I consider it was reasonable for S not to arrange its own hire vehicle - considering Aviva's delay in providing one lasted a relatively short period only.

S arranged for an accountant to provide some calculations of likely loss. Aviva didn't accept these as sufficient. These provide estimates of impact on turnover and profit based on accounts for the three months prior to the period S was without a vehicle. S has also provided a range of bank statements for recent years. In response to a recent request from this Service it also provided its profit and loss accounts for recent years.

In the circumstances, having considered everything else provided, I'm satisfied the accountant's calculations, based on profit across an earlier period, provide a reasonable estimate of likely loss - £1,848. So Aviva will need to pay that amount to settle the complaint.

As S has been unfairly without those funds Aviva will need to add simple interest at 8%. It should be applied from the July 2023 (a date reasonably close to the relevant period) to the date of final settlement.

Aviva offered £350 compensation. I consider it would be fair it to pay that alongside reimbursing S' financial loss. Aviva, by failing to clarify what information it required, has caused S the unnecessary inconvenience having to commit the time necessary to bring its complaint to this Service. In addition S has reported experiencing financial pressures as a result of not being reimbursed its financial loss. I think it's likely that caused it further inconvenience.

My final decision

For the reasons given above, Aviva Insurance Limited must pay S £1,848 (adding simple interest at 8% as set out above*) and £350 compensation.

*If Aviva considers it's required by HM Revenue & Customs to deduct tax from that interest, it should tell S how much it's taken off. It should also give him it a tax deduction certificate if it asks for one, so it can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 20 August 2024.

Daniel Martin
Ombudsman