

The complaint

Mrs D complains that Aviva Insurance Limited caused delays when handling a claim under her motor insurance policy.

What happened

The detailed background to this complaint is well known to both parties, so I'll only summarise the key events here.

In January 2024, Mrs D's car was involved in an accident. She made a claim under her motor insurance policy, which Aviva accepted, and a hire car was provided.

In February 2024, Mrs D made a complaint as she'd been told her car couldn't be repaired but she hadn't been given an offer for the total loss. As liability had been accepted by the third-party insurer, she didn't understand what was causing the delay and she was concerned that the cost of her claim was rising due to the hire car.

Aviva acknowledged the complaint, but it didn't provide an answer within the time limits. So Mrs D contacted our Service.

Our Investigator upheld the complaint as there'd been avoidable delays in handling the claim. She recommended that Aviva pay Mrs D compensation of £200 and progress the claim promptly going forwards.

Aviva accepted this, but Mrs D didn't. She said the compensation doesn't reflect the mismanagement of her claim and the impact this had. She's also not happy with the valuation offer which has now been made.

As such, the complaint has been passed to me to decide. But, to be clear, I'm only looking into what's happened up until March 2024 when the complaint was brought to our Service. If Mrs D is unhappy with anything that's happened since, she'll need to raise a new complaint to Aviva in the first instance, which she can bring to us in the same way she did this one.

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'd like to reassure Mrs D that whilst I may have condensed what she's told us in far less detail and in my own words, I've read and considered all her submissions in full. I'm satisfied I've captured the essence of the complaint and I don't need to comment on every point individually, or possibly in the level of detail she'd like, in order to reach my decision. This isn't meant as a discourtesy, but simply reflects the informal nature of our service.

The Financial Conduct Authority's (FCA) Insurance Conduct of Business Sourcebook (ICOBS) requires businesses to handle claims promptly and fairly, provide information on the claim's progress, and to not unreasonably reject a claim.

Aviva has failed to handle this claim promptly. It took several weeks to get Mrs D's car to a repairer and when it received information from them that it couldn't be repaired, it didn't act on this for some time. This isn't the level of service Mrs D should reasonably expect from her insurer. So I need to decide how Aviva should put things right for Mrs D.

Compensation isn't intended to fine or punish a business, it's to recognise the impact the business' actions have had on its customer. So when deciding what amount would be fair, I need to consider how Mrs D was affected by Aviva's actions – or inactions as the case is here.

I understand that Aviva provided Mrs D with a hire car. So whilst she didn't have her car, she wasn't left without transport. I know Mrs D is concerned that the hire car was increasing the cost of her claim, but she hasn't provided any information to show me how the cost of her claim will negatively impact her. As liability has been accepted, I'd expect all claims costs to be recovered from the third party.

I recognise these delays would've caused Mrs D a degree of distress and inconvenience. She's had to chase them for updates and was paying a finance agreement for a car she didn't have. This would no doubt have been stressful, and I agree Aviva should pay compensation.

For the period of time I'm able to consider – January to March – I agree with our Investigator that £200 compensation is a fair reflection of the impact Aviva's actions had on Mrs D. So I'm directing that it pay this amount.

My final decision

For the reasons I've explained, I uphold this complaint and direct Aviva Insurance Limited to pay Mrs D compensation of £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 16 September 2024.

Sheryl Sibley
Ombudsman