

## **The complaint**

Miss G complains about the way Aviva Insurance Limited settled a claim she made on her motor insurance policy. She also says they caused delays to the claim's process.

## **What happened**

In August 2023 Miss G's car was involved in an accident, and she contacted Aviva to make a claim through her motor insurance policy. Aviva reviewed the damage caused and said Miss G's car would be deemed a 'total loss'; meaning it would cost more to repair the car than it was worth.

Due to an error with the settlement, which was sent to a lease provider instead of Miss G directly, Miss G wasn't paid the value of her car until December 2023. She said the sum was lower than she expected, and the delays meant she'd incurred a number of financial losses - so she raised a complaint. After considering Miss G's complaint, Aviva increased the total loss settlement amount. They also offered to pay interest and refund any financial losses incurred, as well as £575 compensation for trouble and upset. But Miss G didn't think Aviva had offered enough to make up for her losses - she referred her complaint to this Service.

An Investigator looked at what happened and recommended that Miss G's complaint should be upheld. She said Aviva had reached their valuation of Miss G's car using one market value guide. However, she looked at other guides which showed higher values and felt Miss G had lost out because Aviva hadn't taken into consideration all of the available guides. She also felt Aviva hadn't justified their deductions for pre-existing damage.

The Investigator recommended that Aviva should increase their valuation of Mrs G's car to £11,550 and pay 8% per year simple interest on the difference, from the date the valuation payment was originally paid to Miss G to the date the further payment was paid. The Investigator also thought Aviva's compensation offer wasn't high enough - she recommended this be increased by £150.

Aviva accepted the investigator's opinion, but Miss G disagreed with it. She didn't think the increased compensation reflected the level of inconvenience she had experienced. As Miss G didn't agree with the Investigator, the complaint has been passed to me to decide.

## **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'll be upholding this complaint - I'll explain why.

I can see Aviva originally valued Miss G's car using one of the valuation guides and making a reduction in the value due to pre-existing damage. They valued the car at £10,702.50. It's standard practice for the motor insurance industry to use valuation guides to work out the estimated value of a car, and it's not unreasonable that they do so. The valuation the guides

give are based on the advertised prices of similar cars with a similar age and mileage for sale at the time of loss.

The Investigator looked at valuation guides as part of her investigation which produced valuation figures between £10,850 to £11,550, respectively. And she thought Aviva hadn't justified their deductions due to pre-existing damage – so she thought Aviva should raise their total loss valuation as part of the claim.

As Aviva have agreed to this approach, I see no reason to depart from it. Therefore, Aviva should settle the claim by paying Miss G the highest valuation figure of £11,550. They should also pay 8% simple interest on the difference between the previous sum and this higher amount between date of the original total loss amount was paid and the date it's ultimately settled.

Miss G has asked for reimbursement for parking fees, her insurance premium, hire costs, hire car parking fees, and the cost of a report in disputing Aviva's valuation of her car. Miss G also asked for the cost of replacing two tyres before the incident and a full tank of petrol. In response, Aviva made an offer of compensation, totalling £1,006.10. The breakdown of this is:

- £211.11 interest on the total loss payment
- £29.99 cost of valuation report
- £575 trouble and upset
- £10 loss of use
- £180 for financial losses (parking charges)

I can see the Investigator agreed these sums were fair, but recommended Aviva should also pay an additional £150 compensation for distress and inconvenience caused.

In respect of Miss G's losses for the cost of the report, parking charges, and loss of use, Aviva have made an offer which I believe is fair and reasonable. It follows that I think they should pay these sums. But in respect of the other losses for replacement tyres and fuel – these would be considered uninsured losses, so I don't find it reasonable for Aviva to meet these costs. And Miss G has also had a claim met under her policy and paid her excess, so it wouldn't be fair for her premiums to be refunded either.

From looking at the claim's process, I do think Miss G spent a lot of time chasing Aviva for updates, and she's initially had a poor and stressful claims experience over and above what I would consider to be normal. I haven't detailed everything here, as the same is well known to both Miss G and Aviva – but I've considered everything Miss G has said about the impact on her - especially in respect of a family bereavement, which I was sorry to hear of.

### **Putting things right**

I acknowledge the delays would have caused additional upset and inconvenience for Miss G. And I can see Aviva have agreed with the Investigator to pay an additional £150 compensation, in addition to the £575 already offered.

Having looked at everything that's happened here, this sum is more than I would have awarded in similar circumstances. I say this because, while there was a delay in the correct car value being established at the start of the claim, Miss G was also provided with a replacement hire car between September December 2023 - even though her policy doesn't include this. And Aviva haven't sought to recover any costs for this, which means they've provided a service over and above what Miss G's policy entitles her to.

While I appreciate Miss G feels the sum offered isn't enough to compensate her – because Aviva have agreed to pay an additional £150, I'm satisfied this total award produces a fair and reasonable conclusion in this particular case and I won't be asking them to increase this sum anymore.

I can also see Miss G said she lost her employment because of having to spend time on the phone dealing with this claim. I've not seen any evidence which shows me Aviva's actions directly led to a loss of employment for Miss G. So, I'm not persuaded to make an award for any such consequential losses.

### **My final decision**

My final decision is that I uphold this complaint. I require Aviva Insurance Limited to pay:

- £847.50 for the difference in total loss value of Miss G's car. Aviva should pay 8% simple interest on this sum between the date of the original total loss payment and the date the claim is ultimately settled;
- £180 for parking charges;
- £29.99 cost of report;
- £10 loss of use;
- £725 distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 28 November 2024.

Stephen Howard

**Ombudsman**