

The complaint

Mr B complains Aviva Insurance Limited unfairly asked for a fee to update his phone number for his motor insurance policy.

What happened

I issued a provisional decision. I said:

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Mr B took out a motor insurance policy with Aviva online. He later went on to Aviva’s online portal to update his phone number. He complains, broadly, that it was unfair for Aviva to charge him an £11.20 administrative fee to do so.

Aviva argues Mr B was given enough information to understand he would be charged a fee if he wanted to make a change to his policy. I will set out the key information regarding the fee below.

From the sales journey:

“You can make or request changes to your policy at any time on your Aviva Zero account. You may be charged an admin fee of £11.20 (inclusive of Premium Tax at the appropriate rate) for these changes such as adding a named driver or changing your vehicle. Any changes you make could affect the price of your policy.”

From the policy:

“We apply administration and cancellation fees and charges under certain circumstances as shown in the table below...”

If you make any changes to your policy...£11.20.”

The information above refers to a fee for changes to the policy. I don’t find such a fee unusual. A change of address would be material to Aviva because it has a bearing on the risk (and likely the premium) and would lead to further costs on the part of Aviva. I would consider the examples given – adding a named driver or changing a vehicle – to be material changes for the same reason. And I find that is the expectation created by the wording from the sales journey – namely, any changes likely to affect the risk (and therefore the price) of a policy will be subject to Aviva’s administration fee.

While updating a phone number is a change, I don’t find it to be a material one – it doesn’t have a bearing on the risk, the premium or lead to any further costs on the part of Aviva. Nor do I find being charged a fee to update a phone number online to be something a reasonable consumer would expect from the information above, or more generally. It follows I don’t find it was fair and reasonable for Aviva to charge

Mr B a fee to change his phone number.

Aviva has since waived the fee as a gesture of goodwill. I find that was appropriate as it means Mr B has suffered no direct financial loss. Mr B has said he refused to pay the fee which led to him missing important claim related calls. I don't find I can fairly and reasonably hold Aviva responsible for the impact that may have had, given it was his choice not to update his number while he complained.

But I do accept he's been caused some distress and inconvenience given if he hadn't complained, he would have incurred an unfair fee. And it's apparent he's been – understandably – dissatisfied with Aviva's overall response. I consider, in the specific circumstances of this complaint, that Aviva should pay Mr B £100 compensation in recognition of the distress and inconvenience he's been caused."

Mr B and Aviva accepted my provisional decision.

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 both parties accepted my provisional decision, I see no compelling reason to depart from it. It follows I uphold this complaint for the reasons set out in my provisional decision.

My final decision

I uphold this complaint and require Aviva Insurance Limited to pay Mr B £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 November 2024.

James Langford
Ombudsman