

## **The complaint**

Mr and Mrs H are complaining on behalf of C – a limited company – about the way Aviva Insurance Limited has handled a claim C made on its commercial vehicle insurance policy. In particular they're unhappy with the way the car was repaired.

## **What happened**

C's car was involved in two accidents. Mr H contacted Aviva to claim for the damage. He's unhappy with the way it repaired the car. In particular he said it's chosen garage had fitted the wrong alloy wheel and also that one of the sensors had an intermittent fault.

Aviva acknowledged the issue with the tyre, but it said the car had gone to a manufacturing dealership for some work. It said, while it was there, the dealership rectified a recall issue with the sensors. And it said this was what was causing the issue. So it said he would need to raise this with the dealership directly.

Mr and Mrs H said these issues had caused them a lot of distress and at one point caused Mr H to black out while driving. He says he's lost his licence because of this. Aviva offered to pay £750 in compensation. Mr H didn't think this was sufficient and was looking for around £15,000.

Our Investigator upheld this complaint. She said she could only consider the impact this had had on C as a limited company. She thought £1,500 was fair compensation to cover the inconvenience caused to C and any financial losses that it incurred.

Aviva accepted the Investigator's opinion. But Mr and Mrs H didn't think £1,500 was fair compensation and, in summary, raised the following:

- The car was never properly fixed, so the issues were ongoing. They said C's offices and client base was in a different city, around 46 miles away. They didn't feel safe using the car over such a distance which caused C problems with its business.
- They said on one occasion they went a week without the car until Aviva provided them with a courtesy car.
- They estimated they'd spent around 16.5 hours putting things right. They said they charge £157 per hour so believe Aviva should pay them around £2,600 for this.
- They said they were unable to return the car when they wanted to because of the damage. So C had to pay a further year's insurance and finance. And they believe Aviva should refund this.
- They believe Aviva should have given them the option to have the car repaired a manufacturer approved garage.

As Mr and Mrs H didn't agree with the Investigator's opinion, the complaint's 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.

I should first set out that I acknowledge I've summarised C's complaint in a lot less detail than Mr and Mrs H have presented it. Mr and Mrs H have raised a number of reasons about why they're unhappy with the way Aviva has handled this matter. I've not commented on each and every point they've raised. Instead I've focussed on what I consider to be the key points I need to think about. I don't mean any discourtesy about this, but it simply reflects the informal nature of this Service. I assure Mr and Mrs H and Aviva, however, that I have read and considered everything they've provided.

I also need to make clear I can only consider the impact on C in this complaint. Mr and Mrs H have set out in detail about the impact this matter has had on them. But C was the policyholder and the contract was taken out for C's benefit. For this reason Mr and Mrs H are not eligible complainants under our rules.

I do not dispute and fully recognise how upsetting Mr and Mrs H have found this matter. But, as I said, I can only take into account the impact on C as a limited company. Aviva has now agreed to pay C £1,500 in compensation. So, the fundamental issue I have to decide is whether I think Mr and Mrs H have shown that C has suffered losses in excess of £1,500. I don't think they have and I'll now explain why.

Mr and Mrs H has set out the amount of time they've spent dealing with this matter and their respective hourly rates. But Aviva is not required to compensate them for their time, only any losses C *actually* suffered owing to something it did wrong. So, while I note how they've calculated their requested compensation, I haven't seen anything to show C has suffered actual loss of earnings as a result of this. I recognise this matter has caused C some inconvenience, but Aviva is compensating for this.

Mr and Mrs H have said they had to keep the car for longer than they wanted to. But they had entered into a finance agreement for a specific period of time and I've not seen anything to show they were actively looking to return the car before the issues arose. It seems to me they returned the car early in the finance agreement due to other external factors. But, for me to require Aviva to refund the amount Mr and Mrs H for the hire, I have to be satisfied they've shown they were already considering returning the car *before* the issues arose and would have returned the car sooner but for the issues in hand. I've not seen anything to support this. It seems to me they would have always incurred these expenses (including the insurance costs) even if all the repairs were done satisfactorily at the time.

I'm also conscious they've complained they struggled to use their car for business. So they've said they wanted and needed the car during this process. This is not in keeping with their assertions they wanted to return the car. But, even if this was the case, they have a duty to mitigate C's losses. It seems they were paying around £900 per month for the car. I think fixing the issue with the sensor would have cost significantly less than that to rectify. So I can't say it was reasonable to continue to pay the finance solely because of an issue with a sensor. So I can't reasonably require Aviva to refund these costs.

Mr and Mrs H have said they believe Aviva misled them in saying the manufacturer fixed the sensor as opposed to the garage. They've provided statements from the manufacturer that disputed there was a product recall on this. But, whether this was accurate or not, doesn't change my decision. I haven't seen anything to show C incurred any costs resulting from this issue – either in fixing the fault or when the car was returned to the finance company. And, as I said, Aviva is compensating them for the inconvenience C has incurred.

Finally, I've considered Mr and Mrs H's comment that they should have been allowed to use a manufacturer approved garage. But the terms of the contract entitled Aviva to decide

where to repair a car. And it doesn't *have* to use a manufacturer approved garage to carry out accident repairs. Aviva's requirement is to ensure the appointed garage carries out a lasting and effective repair. And, where it doesn't do so – as is accepted to be the case here – it needs to arrange to put things right. Mr and Mrs H were entitled to ask to use a garage of their choice. But I haven't seen anything to show they did so when they first reported the claim.

As I said, I accept and acknowledge that C has suffered a lot of inconvenience because of what's happened. And Aviva is required to compensate it for this. But £1,500 is an exceptional award and is at the higher end to what I would have awarded. And, as I said, I haven't seen anything to show C has suffered losses in excess of this. Given Aviva has agreed to pay this, I think it's a fair way to put things right.

### **My final decision**

For the reasons I've set out above, it's my final decision that I require Aviva Insurance Limited to increase its compensation offer to £1,500. It should pay this to C directly if it hasn't already done so. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 28 February 2025.

Guy Mitchell

**Ombudsman**