

The complaint

Miss F has complained that the service she received from Aviva Insurance Limited when she made a claim under her motor policy was poor, to include little explanation over the market value of her car, plus confusing instructions in relation to the hire car she was given.

References to Aviva include all its agents.

What happened

Miss F's car along with others on the road was damaged over night on 25 January 2024. She made a claim to Aviva on 26 January and provided further details of the third party who had caused the damage.

Miss F first complained about a lack of updates on 1 February. Her car was deemed a total loss on 6 February 2024. At this point Miss F was asked to provide the details of the third party again.

Miss F had also been given a hire car which was initially agreed to be extended until 26 March 2024. But then on 22 March 2024 the hire company wanted the car returned that day. Miss F said it took a day to sort out so the original hire period to 26 March 2024 was honoured.

Overall Aviva paid Miss F a total of £150 compensation. £90 was paid on 6 February 2024 with a further £60 paid on 29 February 2024. Miss F doesn't agree this was sufficient for the distress and inconvenience she suffered especially over the hire car plus lack of updates. Miss F has also complained about the market value Aviva came to for her car. It decided to pay her £25,488, less the excess of £150. And given its delays it added a further £138.50 interest.

Aviva felt it had now compensated Miss F adequately, however Miss F didn't agree and brought her complaint to us.

The investigator was of the view that the compensation plus interest paid by Aviva was sufficient.

Miss F remained dissatisfied, so her 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'm not upholding this complaint. I appreciate and understand Miss F will be most disappointed with my decision. But I'll now explain why.

My role is to examine what Aviva did wrong in its dealings with Miss F's claim and whether it's now done enough to put things right.

I consider there are three main areas Miss F complained about, the lack of updates initially and asking for the same information from Miss F more than once; the issue concerning the hire car; and the market value of her car. So, I will discuss them under these headings.

Market value of Miss F's car.

Vehicle valuations are not an exact science as of course it depends on the market conditions at the time of the loss. We have an established approach to vehicle valuations which is more fully detailed on our website. And it must be remembered this service does not provide a vehicle valuation service, our role is only to assess if Aviva's valuation was fair. Essentially Aviva is obliged to pay no more than the market value of the car at the date of loss as that is what is insured.

In Miss F's policy with Aviva this is expressed as follows:

'Market value – the cost of replacing your vehicle with one of the same make, model and specification, year, mileage and condition. The market value, determined at the time of loss or damage, may also be affected by other factors such as MOT status (if one is required), how you purchased your vehicle and whether it has been previously declared a total loss.'

To assess any car's value, there are several vehicle valuation guides (four in total) as the investigator explained in his view. Aviva's offer of £25,488 was higher than any of the prices for the same type and model of Miss F's car, from all the available guides, which shows me that the amount offered to Miss F is likely to be fair.

Miss F noted she bought her car with a package namely the 'Comfort & Sound Package, Plus Pack'. It's well known that these sorts of packages are more costly to buy with the car when new, but tend to be worth less, as in effecting the overall value, as the car ages. So, I checked the valuation guides again and only one guide noted this package which added a mere £450 to its valuation bringing that specific guide's valuation for Miss F to £23,850, which is still under Aviva's total valuation.

So as there is nothing to show me that Aviva's valuation of Miss F's car is too low or indeed not high enough when considering all four guides, it follows that I consider Aviva's valuation of Miss F's car to be both fair and indeed generous.

The hire car issue.

When buying her policy Miss F didn't opt to have a hire car provision under her policy which would have had an additional cost. This meant under the policy that Miss F was only entitled to a courtesy car if her claim was accepted, plus very importantly, if her car was repairable. Miss F's car was deemed a total loss. Nonetheless Aviva arranged a hire car for Miss F. As Aviva explained once it was known her car was uneconomical to repair, Aviva had no duty to keep Miss F mobile once it had paid her the market value.

So sadly, for Miss F Aviva then got itself confused over this. Initially it had agreed with Miss F she could keep the hire car until 26 March 2024. But on 22 March 2024 as the hire company was aware Miss F's car was now a total loss it asked for the immediate return of the car. This caused Miss F substantial distress for the day it took her to get Aviva to sort things out again and indeed honour its original promise to her.

I can understand and appreciate this did cause Miss F distress. However, it lasted merely a day, not several weeks, and in real terms Aviva was acting outside its policy terms. Had it not honoured its agreement to the time period of the hire car that it had promised Miss F, then I would have required it to pay further compensation to Miss F, but it did sort the matter out on the same day. Its final response from the CEO's office clearly apologised and I consider that was said with an appropriate level of sincerity. Therefore, I consider Aviva did enough to resolve this issue as quickly as it was possible. Consequently, I don't consider it needs to do anything further.

Claims handling and service issues.

Having reviewed the entirety of Aviva's contact notes with Miss F, I can see things initially didn't go to plan. It did ask Miss F for information she had already given it and it did cause her a level of inconvenience too. It also delayed valuing her car and paying Miss F the actual market value of her car.

It paid Miss F £90 compensation on 2 February 2024 and a further £60 compensation on 29 February 2024. Then on 12 March 2024 it ensured appropriate interest of 8% simple was added to the market value of her car given its delays there. That amounted to £138.50. So, whilst undoubtedly Aviva caused Miss F unnecessary inconvenience each time, it reacted quickly and tried to put things right again and indeed paid compensation also. I consider that was appropriate.

I have no remit to fine or punish Aviva for its failings. My remit extends only to ensuring that Aviva did enough to put things right again. I consider it did here and quickly too once the issues had been raised by Miss F.

There is always an element of inconvenience when having to make a claim, more so when here the third party hit Miss F's car when it was parked legally overnight. I do consider Aviva shouldn't have made these errors in dealing with Miss F's claim as it unnecessarily caused her further distress and inconvenience. However, it made efforts to correct things for Miss F quickly and paid her appropriate compensation and interest when it was warranted.

Therefore, I consider that was sufficient.

My final decision

So, for these reasons, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 21 March 2025.

Rona Doyle
Ombudsman