

## **The complaint**

Mr T has complained about his previous car insurer Aviva Insurance Limited because it incorrectly recorded the cost of a claim made on his policy. Mr T believes that affected the premium offered at renewal.

## **What happened**

Mr T's car was damaged in 2023 by another driver. He wasn't able to pass all their details on to Aviva. Aviva fixed Mr T's car and, because it could not trace the driver, recorded the claim as one of fault. After making enquiries with Aviva, Mr T was assured his protected no claims would go with him if he changed to a new insurer.

In 2024, Mr T's policy was due to renew. The price with Aviva had increased from around £500 to over £1,200. Mr T complained, noting the cost of repair shown at over £3,000 seemed high – he felt this had likely affected the renewal price. Mr T had difficulty getting answers from Aviva, so he took his cover elsewhere and complained to the Financial Ombudsman Service.

Aviva subsequently issued a final response letter to Mr T. It accepted it had made an error regarding the cost of repairs, which should have been recorded at £1,564.26 and assured Mr T it had amended that internally. Aviva said the external claims database would also be updated but that could take several weeks. It acknowledged its communication had been poor and offered £350 compensation.

Mr T told our Investigator that he was still unhappy. He said the price of cover with his new insurer had still likely been affected. He said the offer of £350 compensation was insulting. Later he told our Investigator that he felt that £1,000 would be fair.

Our Investigator considered Mr T's complaint. She noted Aviva had made an error when the cost of the claim had been recorded. But she also noted it had taken action to rectify that. She said it wasn't clear if the incorrect detail had affected the price Mr T had obtained for renewal from his new insurer. She said Mr T could approach it for a review if he wanted to – but she explained that it seemed unlikely that the difference of costs in question would have impacted the price of cover. Our Investigator felt the £350 offered by Aviva was fair and reasonable in this instance to make up for the upset caused to Mr T.

Mr T disagreed with the outcome. He said he'd had to chase Aviva a lot and it wasn't right to just dismiss the incorrect claim cost as "an error". Mr T said as Aviva had caused the incorrect detail to be recorded externally, it should just as easily be able to fix it quickly. He said it stands to reason that, as this detail is recorded externally for insurers' use, it must, therefore, have influenced the premium charged.

Our Investigator replied to Mr T's concerns. She wasn't minded to change her view on the complaint. As Mr T remained unhappy, the complaint was referred for an Ombudsman's 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.

I can see that this situation has caused Mr T a lot of upset and frustration. That is unfortunate. Not least because so much of that could have been avoided if Aviva had taken better care in its communication with him. He should not have been put to so much trouble to chase for answers to relatively simply enquiries.

That said, Aviva has offered £350 compensation. And I do think that is fair and reasonable in the circumstances. I note Mr T has said he would like £1,000 – but that is more the sort of sum this Service would award where someone has been without the use of their car for an extended period because of an insurer's errors – whereas here, Mr T had his car but he had some administrative queries he was trying to get answers to from Aviva. Mr T clearly put in a lot of time and effort over the course of a few months to find those answers – but £350 compensation for upset, including inconvenience, caused by that is, in my view, fair and reasonable. I'll include a direction below for Aviva to pay this sum.

I'm not persuaded though that Aviva's delay in confirming the repair cost had been recorded incorrectly, has caused Mr T a financial loss. The price Aviva was looking to charge at renewal was significantly higher than the year before. It's not clear why that is. And I'd note here that Aviva has not shown us its pricing detail for that renewal. However, as Mr T did not go ahead with that cover, whether Aviva priced it fairly or not, Mr T did not suffer a loss because of it.

At renewal Mr T took his cover elsewhere. It is true that insurers will take into account a number of factors when deciding what premium to charge for cover. But it's also fair to say that the detail each individual insurer relies upon when setting its price will differ. For instance, some, but not all insurers will look at the cost of past claims. Of those which do take costs into account, each will likely view the risk associated with costs in a different way. So, if a handful of insurers were given the same detail about a prospective policyholder's claims history – they would very likely each give different weightings to that detail and, as a result, come up with different prices for cover.

I'd also add that insurers don't necessarily consult the external industry database when they price cover. Often they take the detail provided by a prospective policyholder at face value.

So it's not clear if Mr T's new insurer saw the incorrect detail on the external database. It's also not clear – even if it used that incorrect cost recorded by Aviva on which to price the policy offered to Mr T, that the policy price would have been lower if the correct cost had been applied. As our Investigator noted, the difference between the correct and incorrect costs was relatively minor, with even the incorrect cost being quite low, less than £5,000. I'm not persuaded, that it's most likely that Aviva's error likely caused Mr T a loss in this respect.

I know Mr T is frustrated at the incorrect cost being referred to as an error. But I haven't seen anything which makes me think Aviva deliberately recorded an incorrect value. I agree with Mr T though; it's unsatisfactory – both that incorrect detail was recorded and that Aviva can't explain why or how this happened. Aviva should take better care to ensure its data capture is done correctly.

## **My final decision**

I'm satisfied that Aviva did fail to communicate effectively with Mr T. I direct it to pay the £350 compensation it previously offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 May 2025.

Fiona Robinson  
**Ombudsman**