

The complaint

Miss M complains that Aviva Insurance Limited further damaged her car after she made a claim on her motor insurance policy. She wants her car repaired.

What happened

Miss M was involved in an incident with another driver and the rear of her car was damaged. She first made a claim for repairs from the other driver's insurer, but she later asked Aviva to deal with her claim. Her car was then recovered by Aviva, and it declared it to be a total loss. Miss M wanted to retain the car's salvage, and so Aviva paid her a settlement less the salvage amount.

But when the car was returned to Miss M it had further damage to the front and parts had been removed. Miss M obtained an estimate for these to be repaired. Aviva delayed in making a repayment to Miss M's finance company.

Aviva paid Miss M £400 compensation for the trouble and upset caused. Aviva said Miss M could return the salvage and it would repay her the salvage amount, or she could retain the salvage and it would pay her a further amount, its estimate for the cost of repairs. It said it would consider any further losses caused by the late settlement payment to the finance company. Miss M was unhappy with this and wanted Aviva to repair her car.

Our Investigator recommended that the complaint should be upheld. He thought Aviva's two options for dealing with the further damage were fair and reasonable to restore Miss M's position. But he thought it should also offer Miss M the option of retaining the salvage and it should either arrange for the repairs of the new damage or pay for this to be done, based on an independent assessor's estimate. He also thought it should increase the compensation to £600 for the trouble and upset caused.

Aviva agreed to do this even though it wasn't sure that its agents were responsible for the new damage. Miss M chose the new option suggested by the Investigator. And Aviva decided to make Miss M a payment to have her car repaired based on an independent assessor's estimate.

But Miss M wanted Aviva to pay her the repairs estimate provided by her own garage, which was much higher than Aviva's independent estimate and included items that Aviva said were not its responsibility. Miss M also wanted Aviva to compensate her for her loss of earnings. Miss M asked for her complaint to be reviewed, so it's come to me for a final 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.

Miss M's car had been damaged through no fault of her own and she was keen to have it repaired. I can understand that Miss M felt frustrated when her car was returned with further damage. Now, some 18 months later, her complaint is still ongoing. I was sorry to hear about the strain this has put her under.

Aviva said the new damage to the front of Miss M's car could have been caused whilst the car was in the care of the accident management company that initially dealt with the claim for three months. But it didn't establish this when it agreed to take over the claim. So I think it's fair and reasonable for it to take responsibility for the new damage, as it's agreed to do.

But there's disagreement between Aviva and Miss M about the extent of the new damage and the cost of repairs. We're not engineers. We don't assess whether or how damage to a vehicle would be caused as this is a matter for the experts in these situations, the insurance companies and engineers. Our role in these complaints is to determine whether an insurance company has considered all the available evidence and whether it can justify its decision to pay for repairs.

When there's a dispute about repairs, we think it's good practice to appoint an independent assessor to provide a report. And I think Aviva reasonably agreed to base its repairs on the estimate of an independent assessor. And I can see that it has done this. Miss M's garage provided a higher estimate and included further items. But I think it was fair and reasonable for Aviva to rely on the independent estimate.

Miss M's garage said the car also needed a respray and treatment to remove mould. And I think Aviva reasonably considered this by asking the independent engineer to review this. He said the mould wasn't present when he assessed the car. He thought it may have developed whilst in the care of the Miss M's garage. And he thought a complete respray wasn't needed, just paintwork repairs to the front of the car.

So I think Aviva reasonably considered the evidence and has justified its decision to pay the amount for the repairs stated in the independent assessor's estimate. I think this reasonably restores Miss M's position following the further damage caused to her car.

Miss M wanted Aviva to compensate her for her loss of earnings. But it didn't agree to do this when it responded to her complaint. It said it would consider any loss Miss M incurred due to its late settling of the car's finance. I can see that Aviva was partially responsible for this delay as there was some confusion with the finance company deciding whether Miss M could retain the salvage. So I think that's fair and reasonable.

From what I can see, Miss M raised her concern about lost earnings after Aviva responded to her complaint. As our Investigator has explained, we can't consider matters where the business hasn't had a chance to respond. And so I think Miss M needs to raise this matter and any other concerns since its last response with Aviva in the first instance. If she remains unhappy after it responds, she can always bring her complaint to us.

Aviva agreed to increase its compensation for the trouble and upset it caused in handling Miss M's claim to £600 in total. This included £200 for not handling the claim promptly and not updating Miss M. And £400 compensation for the considerable trouble and upset caused by Miss M's car being further damaged. I think that's in keeping with our published guidance for the level of impact Aviva's errors caused. And so I think that's fair and reasonable.

Putting things right

I require Aviva Insurance Limited to do the following, as it's already agreed to do:

1. Pay Miss M the cash value for the repair of the further damage caused to her car, as shown by the independent assessor's estimate.
2. Pay Miss M £600 in total compensation for the distress and inconvenience caused by its handling of her claim, as I can see it's already done.
3. Consider any financial losses Miss M incurred due to the late settlement of her car's finance, on production of evidence for these.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require Aviva Insurance Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 6 May 2025.

Phillip Berechree
Ombudsman