

## **The complaint**

Mr C complains that Aviva UK Digital Limited didn't provide accurate information to credit reference agencies. He's also unhappy with the increase in his motor insurance premium.

## **What happened**

Mr C was paying for his motor insurance policy with Aviva in monthly instalments by direct debit. In December 2024, he contacted Aviva and paid off the remaining balance for the year.

About a week later, Mr C contacted Aviva by live chat and asked when it would update credit reference agencies to confirm there was no loan outstanding. Mr C was unhappy with how the Aviva representative dealt with his enquiry, so he raised a complaint.

Aviva said it would update credit reference agencies to show that Mr C's loan had been paid off in full. The timeframe for the update to show on his credit file would be up to 30 days, and in some cases longer. It said it couldn't change the payment method mid-term with the credit reference agencies, so it would still show as a payment plan until the policy expired in May 2025. But once the credit reference agencies had updated their records it would show a zero beside each month on Mr C's credit report.

Aviva apologised for not addressing Mr C's queries before and offered him £50 compensation.

Mr C remained unhappy and asked the Financial Ombudsman Service to consider the matter. He also raised concerns about the increase in his motor insurance premium from 2023 to 2024. Aviva agreed for us to look into the price increase as part of the same complaint.

Our investigator didn't think Mr C's complaint should be upheld. She wasn't persuaded Aviva had reported inaccurate information to credit reference agencies or had unfairly increased the policy premium.

Mr C disagreed with our investigator's outcome. He said that while the balance was being reported as zero, it still showed as a 'live' loan (in May 2025). It showed as not settled and so reflected on a credit file as a 'live' arrangement. So other providers still regarded him as having a loan facility with Aviva when he didn't.

Mr C also commented that there was a change in vehicle and the addition of a named driver in September 2023. Yet, it was at the renewal in May 2024, that the premium jumped by 76.8% for no apparent reason.

As Mr C disagrees with our investigator's outcome, the 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've decided not to uphold Mr C's complaint. I'll explain why.

#### Premium Increase

Mr C has complained about the increase in his motor insurance premiums from 2023 to 2024.

The policy documents show that Mr C was charged £426.93 (including Protected No Claims Discount cover) for the policy year beginning in May 2023. In 2024, Mr C was offered a renewal price of £796.85, which was an increase of around 87% from the previous year.

Aviva has referred to several different factors which affect the price of the insurance it offers. These include vehicle value, safety features, engine size and performance and theft risk of a vehicle.

I note that the cover Aviva offered Mr C at the 2024 renewal was for a different vehicle than the one it insured in May 2023. Mr C's previous car was around fifteen years older and was also a different make and model. I think this is likely to have had a big impact on the insurance price as more expensive cars are more costly to repair or replace. An additional driver was also added to the policy, which would likely have had an impact on the price.

The Financial Ombudsman Service won't usually make any judgments about the way an insurer chooses to assess risk, the risk assessments it makes – or the premium it charges to cover a certain risk. This is a commercial decision that insurers are entitled to make. In this case, I haven't seen anything to suggest that the policy was rated or priced incorrectly or unfairly.

In any event, I can see that Mr C decided not to go ahead with the policy renewal. Aviva says Mr C took out a new policy with Aviva which was slightly cheaper than the renewal price. Aviva says the two motor insurance policies differ primarily in their distribution channels and sometimes in the specific feature and pricing they offer. I'm satisfied this explains why the price wasn't the same.

The price Mr C paid for the new policy wasn't significantly lower than the renewal price he was offered. And Mr C has commented that costs elsewhere in the market were much higher. So, I think this shows that the renewal price Mr C was offered was broadly in line with or below market trends.

Mr C has commented that the change in vehicle and the addition of the named driver happened in September 2023. Yet it was at the renewal in May 2024, that the premium increased significantly.

I haven't been provided with anything to show me whether Mr C's premium was amended to reflect the change of vehicle and additional driver in September 2023. But regardless of whether or not Aviva chose to re-rate the policy in September 2023, I'm satisfied that Aviva acted fairly and reasonably with respect to the price it offered Mr C when the policy came up for renewal in May 2024.

#### Credit reference agencies

I can see Aviva told Mr C it had updated credit reference agencies to let them know he'd paid his loan off in full and they would record this as a zero amount against the remaining monthly reports. Aviva said it would still show as a monthly instalment plan until the end of

Mr C's policy/renewal date as there was no way to get this updated or changed due to how the credit reference agencies would record it on their systems.

Mr C says £0 on a credit file wasn't satisfactory as the loan (instalment arrangement) still showed as 'live'. Therefore, on the credit file it was still regarded as not being settled, as it was not reported by Aviva as settled.

I understand Mr C feels Aviva should have told the credit reference agencies to record that the loan was settled once he'd paid the balance off in full. However, Aviva's responsibility was to provide accurate information about the payments Mr C had made towards his credit agreement. So, I'm not persuaded it was responsible for how this information might have appeared on his credit report.

Aviva informed Mr C that it sends a daily report to credit reference agencies but changes to the credit report would take up to 30 days, and sometimes longer depending on the credit reference agency. Mr C referred his complaint to our service only three weeks after he paid the balance on his account.

Mr C hasn't sent us copies of his credit file, so I can't see if there was any inaccurate information recorded on it. I appreciate Mr C was concerned that other lenders might still have regarded him as having a loan facility with Aviva after he'd paid off the amount he owed in full. But he hasn't provided any further detail as to why he thinks this might have impacted him financially or otherwise. So, even if there was evidence to show that Aviva had done something wrong, I'm not persuaded that Mr C is entitled to any redress.

Mr C has commented that Aviva breached Consumer Duty by placing unnecessary obstacles in the way.

The Consumer Duty Principle requires financial businesses to act to deliver good outcomes for retail customers. A business should communicate clearly with its customers and ensure they are adequately supported. I'm satisfied from what I've seen that Aviva clearly explained the information it was providing to the credit reference agencies and how Mr C could expect this to show on his credit file. It also informed him of the likely timeframe in which he could expect to see the updated information on his credit file. I haven't seen any evidence to suggest that Aviva put unnecessary obstacles in Mr C's way or treated him unfairly. So, I'm not persuaded from what I've seen, that Aviva has breached Consumer Duty.

Aviva has acknowledged that it didn't address Mr C's queries as well as it should have prior to his complaint. I understand it's paid Mr C the £50 compensation it offered him for poor service. I think this reasonably recognises any distress and inconvenience Mr C experienced as a result of Aviva's poor communication. So, while I appreciate my answer will be disappointing for Mr C, I don't require Aviva to do anything further.

### **My final decision**

For the reasons I've explained, I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 August 2025.

Anne Muscroft  
**Ombudsman**