The complaint

Mrs A and Mr A complain about the level of service provided by Aviva Insurance Limited following a claim made on their motor insurance policy. Mrs A and Mr A are named drivers on each other's policies.

What happened

Mrs A's car was damaged in an incident and Aviva declared it to be a total loss. It made a total settlement offer and Mrs A accepted a revised offer two weeks later. Aviva had provided a courtesy car, but it ended this with little warning before the holiday period leaving Mrs A without transport. It took Mrs A three weeks to buy a new car, and she had to hire a replacement. She was unhappy with this and with the level of customer service provided.

Aviva agreed that the hire had been cancelled at short notice, and it hadn't kept Mrs A informed about the total loss process. It offered Mrs A £200.53 as a proportionate settlement of her hire costs as she had hired a larger car than the policy provided, and £200 compensation. After the complaint came to us, Aviva offered to increase its compensation by a further £100. But Mrs A remained unhappy as she thought the compensation wasn't sufficient for the stress and upset caused.

Our Investigator thought that Aviva's new offer was fair and reasonable. She thought Aviva agreed it had made errors in not extending the hire until seven days after the settlement payment had been received. It hadn't sent a total loss letter and had communicated poorly. It made a mistake when telling Mrs A that she had 14 days hire cover when she had 28 under her enhanced cover. But she thought Aviva wasn't responsible for providing hire up to the date Mrs A replaced her car. So she thought Aviva's offer of a proportion of the hire costs and £300 compensation for trouble and upset was fair.

Mrs A replied asking for an Ombudsman's review, so her complaint has come to me for a final decision. She thought the compensation didn't reflect the distress caused by the claim handling and the effect of the lack of transport over the holiday.

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 Mrs A was very unhappy with the level of service she received from Aviva when she lost her car. I can understand that dealing with the claim, and the lack of transport, must have been stressful and she would want clear information, which she didn't receive.

Aviva accepts that it made errors in the claim handling and that it could have provided Mrs A with a better level of service:

- It gave her one day's warning before the holiday period that her courtesy car would be withdrawn because it had raised the settlement payment. So Mrs A said she was left without transport over the holiday period and then had to arrange hire at short notice. Aviva says that it should have reasonably allowed Mrs A seven days' notice that the hire was to end.
- Aviva didn't follow its own process and didn't provide Mrs A with a letter setting out the

total loss process. This could have better managed Mrs A's expectations and explained the timescales involved.

- It incorrectly told Mrs A that she was entitled to 14 days' hire when her enhanced courtesy car cover provided her with 28 days' cover, or until the settlement was paid. As it turned out, Mrs A had the courtesy car for 29 days before it was withdrawn at short notice.

Mrs A was also unhappy that Aviva tried to call her at times when she had told it she wasn't available, that it didn't respond promptly to her emails, and that she was passed to different agents and had to restate her position.

When an insurer makes errors, as I'm satisfied Aviva has done here, we expect it to restore the consumer's position as far as it's possible to do so, and we expect it to compensate the consumer for the impact of the error.

Mrs A's optional courtesy vehicle cover, as outlined on page 10 of her motor insurance policy booklet states:

"If your vehicle cannot be repaired or is stolen, a courtesy vehicle will be provided for up to 28 days, or until you received your settlement (whichever is earliest)."

I can see that Mrs A was provided with a courtesy car for 29 days in total and Aviva was entitled to withdraw the car when the settlement payment was issued before the holidays. But, by its own admission, it should have allowed seven days' further hire following the payment.

To put things right for Mrs A, Aviva offered her £200.53 towards her £555.82 hire costs. It said this had been calculated based on Mrs A's entitlement and what it thought fair. I can understand that Mrs A needed to travel to look for a replacement car and to meet her family's commitments. And she has explained that a smaller car didn't suit their needs and so Mrs A had to hire a larger car for one period to accommodate their needs.

But I think Mrs A had warning before the holiday period that she would need to look for a replacement car. And I can't reasonably hold Aviva responsible for her family's needs. I think Mrs A would always have needed to hire a car after her policy entitlement ended if she hadn't replaced her car. And Aviva was under no obligation to provide hire until she replaced her car.

And so I must consider Mrs A's entitlement under her policy's terms and conditions and what's fair and reasonable. Aviva offered to recompense Mrs A for the actual costs of her hire for three days, and then for a proportion of her costs for hiring a larger car for about a fortnight. And I think this offer of £200.53 is fair and reasonable to restore Mrs A's position.

Aviva has now agreed to pay Mrs A £300 in total compensation for the trouble and upset caused by its level of service. I think its errors had a significant impact on Mrs A for over a month. And I think this level of compensation is in keeping with our published guidance and is fair and reasonable. So I don't require Aviva to increase it. Mrs A thought this didn't reflect the impact on her family members. But I can only consider the impact on the policy holder.

Putting things right

I require Aviva Insurance Limited to pay Mrs A £100 further (£500.53 in total) compensation for the distress and inconvenience caused by its level of service, as it's already offered to do.

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 Mrs A and Mr A to accept or reject my decision before 2 October 2025.

Phillip Berechree
Ombudsman