

## **The complaint**

Mrs E complains that Aviva Insurance Limited ("Aviva") mistakenly applied a write-off category to her car following a claim for damage she made in 2021. In 2024 she tried to sell her car and discovered the error, which caused her distress and inconvenience.

Some parts of Mrs E's complaint have involved a family member, but for ease I'll refer to her throughout.

## **What happened**

Mrs E had a motor insurance policy with Aviva covering her car.

In 2021 her car was damaged. She made a claim from Aviva. Aviva initially thought her car would be beyond economical repair, but when it was inspected this was rescinded and her car was repaired.

Aviva mistakenly applied a category N write off marker to the car.

In October 2024 Mrs E took her car to a dealer and tried to trade it in for a replacement car. The dealer told her that her car had a write-off marker. The deal wasn't able to go ahead, and Mrs E complained to Aviva.

Aviva accepted it'd made a mistake. It arranged to update the appropriate external database within a few days. Mrs E also said she'd incurred £750 of costs checking the car's history, and had been without use of the car for nine months. Aviva said it would refund evidenced costs and consider the loss of use of the car if Mrs E sent them further information. It also said it would pay her £300 compensation for her distress and inconvenience.

Mrs E remained unhappy and brought her complaint to this service. She asks for substantially more compensation, up to £5,000 according to this service's guidelines, as her distress and inconvenience continues.

Our investigator looked into her complaint and said he thought it wouldn't be upheld. He thought Aviva's offer was fair. Aviva provided a copy of the record it had updated.

Mrs E didn't agree with the view. She provided a further copy of a vehicle history check showing her car still had the same marker, at further cost to her. Because she didn't agree, her complaint has been passed to me to make 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.

Aviva has confirmed it made a mistake and shouldn't have added the write-off marker to Mrs E's vehicle. This means I don't need to make a finding on whether or not Aviva did something wrong.

Instead, I need to think about what the impact was to Mrs E and whether Aviva did enough to put things right.

Aviva said it removed the marker in October 2024 four days after Mrs E contacted it, and said it would pay her £300 compensation as well as refunding the vehicle check costs she incurred.

But Mrs E said Aviva didn't remove the marker as she had used a check in June 2025 and her car was still being reported as a total loss.

Aviva provided evidence that it'd deleted the marker in October 2024. I asked it to re-run the check and I can see the total loss marker wasn't showing at the time of writing in July 2025.

It may be that the particular company Mrs E bought her car's vehicle history check from is using out-of-date data, but I can't fairly say Aviva is responsible for that.

Mrs E has said she was trying to trade in her car when the problem was discovered, and I can see this is backed up by evidence she's provided and aligns with data about when her car's history was checked by the dealer.

She's said the revised valuation figure she was given by the dealer means she's lost in the region of £9,000 on the car. But, from the evidence I have, I can't see that she actually went ahead with the sale of it, or has since sold it on at a loss from what may be considered a current market value.

I've thought about this, and I need to say that I can't conclude it is persuasive enough evidence for me to reasonably conclude that Aviva should pay Mrs E for an unrealised loss.

I'm not suggesting Mrs E should have sold her car at a loss and then claimed this back. It's this service's approach that we don't usually award compensation for hypothetical situations, as in 'what could have happened'.

So, while I don't think Aviva needs to pay Mrs E for an unrealised loss, I do think it's caused her distress, inconvenience, and an overall loss of opportunity at a time when she had a very valid reason to seek to change her car.

Taking this into account, I can see Aviva have already offered Mrs E compensation of £300, and agreed to pay for the vehicle checks (which totalled about £130). It's also asked Mrs E about her comment that she'd been without her car for nine months, but I can't see that she's responded with details on this point.

I think Aviva's response about the cost of the vehicle checks and loss of use of the car is fair.

I think it's fair I say Mrs E wasn't affected by Aviva's mistake from 2021 to October 2024 as she wasn't aware of it, but I can see from the evidence that it gave her a significant shock and has caused her distress since.

But, as I say above, I can't say Aviva is at fault for a third-party database not updating its data, and I think that third party has caused some of her distress. There's a comment in the file on behalf of Mrs E about Aviva not using a proper database, the emphasis being that the choice made by her is somehow better. Having looked at the evidence, I don't think that's a fair comment.

I need to think about whether Aviva's offer of compensation reflects the overall impact on Mrs E of its mistake. I've thought about this, and considered how quickly Aviva responded to

her complaint. As I mention above, it responded within a few days and removed the marker, which I think is fair and reasonable.

Taking everything into account, I think its offer of £300 compensation is fair and reasonable. So, I'm not upholding this complaint and I'm not going to ask Aviva to do any more.

### **My final decision**

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 Mrs E to accept or reject my decision before 11 August 2025.

Richard Sowden  
**Ombudsman**