

The complaint

Mr G complains about Aviva Insurance Limited (Aviva) recording a claim against him under his motor insurance policy, following a collision with a third-party vehicle. Mr G accepts he reversed into the third-party vehicle but says the vehicle was already damaged before contact with his vehicle (which suffered minor damage), so his vehicle didn't cause the damage subsequently claimed for (which Mr G believed was a fraudulent claim).

References to Aviva in this decision include their agents.

What happened

In July 2024 Mr G was reversing from a space in a retail outlet car park, but in doing so he collided with a third-party vehicle. Mr G's vehicle sustained little damage (to his bumper) but the other vehicle had more significant damage. Mr G didn't believe the damage was the result of his minor collision with the vehicle. He contacted Aviva to tell them about the incident. Mr G sent in evidence about the incident, including photographs.

Mr G said Aviva told him they would not be paying out on any claim they might receive from the third party. However, when he subsequently received the renewal notice for his policy, in February 2025, the premium had increased. So, he contacted Aviva to query the increase and was told it was because of a fault claim against him brought by the third party, which Aviva had settled (at a cost of £3,788.90). Mr G challenged Aviva's decision to settle the claim, saying the contact he made with the third-party vehicle hadn't caused the damage subsequently claimed for. Aviva said the photographs provided by Mr G, on their own, weren't sufficient evidence (for example, to show the speed at the point of contact). They asked for any further evidence, such as from dashcam, but none was provided.

Unhappy at Aviva dealing with and settling a claim he thought was fraudulent (as the damage claimed for was pre-existing), Mr G complained. He wanted Aviva to remove record of the claim against him from the Claims and Underwriting Exchange (CUE) database.

In their final response Aviva didn't uphold the complaint. They acknowledged Mr G believed the damage claimed by the third party was excessive given the speed at which the collision occurred. But based on the evidence and information available, including the photographs of the damage to Mr G's vehicle, Aviva said they couldn't mount a defence against the third party's claim as Mr G accepted he had reversed into the third-party vehicle. Photographs were also insufficient to challenge the third party's claim of damage to their vehicle, in the absence of additional evidence (such as dashcam) to support Mr G's view of the speed of the collision and damage to the third-party vehicle. So, Aviva settled the claim and recorded it as a fault claim under Mr G's policy. Aviva also referred to the policy terms and conditions, giving them full control over the defence and settlement of any claims. Aviva reached their decision on the information available and experience in liability decisions and case law.

Mr G then complained to this Service. He maintained he hadn't caused the damage claimed for by the third party, given the very slight damage to his vehicle. He thought the third-party claim was fraudulent. He wanted Aviva to remove record of the claim and pay for repairing his bumper.

Our investigator didn't uphold the complaint, concluding Aviva didn't need to take any action. He noted Mr G's version of events about the accident, saying he was slowly reversing, checking the way was clear but then hit the third-party vehicle which was proceeding through the car park. As Mr G was reversing at the time of the accident, Aviva said defence of the claim was difficult. Aviva settled the claim when they received details of the third-party insurer costs. The investigator thought Aviva hadn't acted unreasonably in settling the third-party claim, including hire costs, within the policy terms giving them the right to settle claims.

Mr G disagreed with the investigator's revised view and requested that an Ombudsman review the complaint. He didn't accept that the nature of the accident and the minor damage to his vehicle had caused nearly £4,000 of damage to the third-party vehicle. Photographs he provided of the damage to his vehicle (bumper) supported his view. His dashcam hadn't been working on the day of the accident, so footage wasn't available/

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.

My role here is to decide whether Aviva have acted fairly towards Mr G.

The key issue in Mr G's complaint is that Aviva unfairly settled the third party claim for an accident Mr G maintains wouldn't have caused the amount of damage claimed by the third party (he believes the claim was exaggerated if not fraudulent and/or the damage to the third-party vehicle was pre-existing). Aviva say they had to deal with the claim based on the evidence provided by the third-party insurer, given that as Mr G was reversing at the time of the incident, it would be difficult to defend the claim. And the policy provides for them to defend and settle claims as they see fit, including those from third parties.

I recognise Mr G feels strongly the claim exaggerated and/or fraudulent (or pre-existing damage) and photographs of the minor damage to his bumper show he couldn't have caused the extent of the damage claimed by the third party. But it's not for this Service to determine liability for an accident and whether a claim should be recorded, it's to decide whether Aviva acted fairly in the circumstances of the incident once they received the claim from the third-party insurer.

On the point about the photographs Mr G provided of the minor damage to his bumper, I accept they appear to show very little damage. But I haven't seen equivalent photographs of the third-party vehicle taken at the time of the accident, which would provide an indication of the damage. Mr G says his dashcam wasn't working at the time, which also precludes any evidence of the incident as it happened and might have provided evidence of exactly what happened, the relative speeds of the two vehicles etc. In those circumstances, Aviva would only have the respective version of events from the two parties, the photographs of Mr G's vehicle and the third-party costs submitted in support of their claim.

The policy terms, as they do in motor insurance policies generally, provide for Aviva to assess claims and determine liability. The relevant wording is set out in the *General Conditions* section of the policy, is as follows:

"If we want to, we can take over and conduct in your name or that of the person claiming under the policy the defence or settlement of any claim or take proceedings for our own benefit to recover any payment we have made under this policy.

We shall have full discretion in the conduct of any proceedings or the settlement of any claim...

Looking at Mr G's statement on what happened, he was reversing out of a car parking space at the time, having checked to see the way was clear. But was then hit by the third-party vehicle as it was proceeding. The indications are that the rear (bumper) of Mr G's vehicle hit the nearside of the third-party vehicle. Aviva say that as Mr G was reversing, the onus would be on him to ensure the path behind him was clear. Mr G's statement says the third-party vehicle came from his left-hand side which was in his blind spot and hit him. Reference to 'blind spot' suggests he didn't see the third-party vehicle.

Given he was reversing and what he says in his statement, I don't think it unreasonable of Aviva to conclude he was liable for the collision, and they would find it difficult to deny liability in those circumstances.

Having accepted liability, then Aviva would be obliged to accept the costs submitted by the third-party insurer. At this point, I've also considered what Mr G says about the costs being exaggerated (or the damage pre-existing). However, it would be for Aviva to assess the costs submitted and to determine whether they were reasonable. They would also be able to challenge the costs if they felt they were excessive or fraudulent. But based on the evidence they had, Aviva didn't feel they had grounds to do so.

In addition, from the detail of the costs provided by Aviva, it also appears that a significant minority of the costs were taken up by subrogated hire costs of a replacement vehicle provided to the third party whilst their vehicle was in for repair. So, it wasn't the case that all the £3,788.90. As I say, it isn't for me to assess the costs submitted – that is for Aviva – but it isn't uncommon for third-party costs in cases of this nature to include both actual repair costs and hire vehicle costs.

In the circumstances, therefore, Aviva had to decide whether to accept the claim and settle it. Having accepted liability, I think it was fair and reasonable for Aviva to settle the claim.

Taking all these points into account, I don't think Aviva have acted unfairly or unreasonably in the circumstances of this case, so I won't be asking them to do anything further.

My final decision

For the reasons set out above, it's my final decision not to uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 15 October 2025.

Paul King
Ombudsman