

## The complaint

Mr B complains about how Aviva Insurance Limited handled a claim on his motor insurance after his car was stolen.

## What happened

Mr B had motor insurance with Aviva. In February 2025 his car was stolen. It was recovered the next day but was badly damaged. Aviva instructed its approved repairer to assess the damage.

A brief timeline of the claim is:

- 10 February. Car stolen.
- 11 February. Recovered by police.
- 28 February.
  - Car delivered to Aviva's approved repairer.
  - Phone call between the parties. Mr B told Aviva he didn't want the car back due to the "*significant*" damage to it.
  - Follow-up email from Aviva: "*As discussed, if the vehicle is repairable, then your policy means the vehicle cannot be written off.... I have contacted the repairer, who confirms the vehicle is repairable....*"
  - Mr B email to Aviva expressing his concerns with this decision: "*I do not accept the proposed repairs for my vehicle and request that Aviva reassesses the situation.*"
- 3 March.
  - Aviva email to Mr B: "*...the decision still stands to repair the vehicle.*"
  - Repairs begin.
- 4 March. Mr B email to Aviva setting out "*interior damage... structural integrity concerns... long-term reliability risks... [and] safety concerns.*" He asked Aviva to either declare the car a total loss (and compensate him for not providing a courtesy vehicle) or provide an extended warranty for the car, plus compensation.
- 6 March.
  - Initial date for completion of repairs. This was revised at least four more times (17 March, 20 March, 28 March, 8 April)<sup>1</sup>.
  - Aviva replied to Mr B's concerns. It told him the car could be fixed and its repairer guaranteed these repairs. It also offered a "*health check*" by the manufacturer. It also told Mr B he'd chosen not to include a courtesy car as

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<sup>1</sup> Mr B says there was one other proposed return date (13 March). I've no reason to doubt this but I've used the dates Aviva accepted in June 2025 and quoted in his engineer's July 2025 report. This difference doesn't affect my decision.

part of his cover, and he could sell the car if he was worried about driving it.

- 13 March. Aviva final response confirming its position.
- 10 April. Repairs completed and car returned to Mr B.
- 24 April. Car inspected by a technical specialist appointed by Mr B. Found damage to outer CV boots, undertray, rear alignment arms, rear subframe bushes, and an engine oil leak.
- 23 May. A further inspection by Aviva's engineer confirmed additional damage and estimated further repair costs at £1,771.
- 17 June. Car failed MOT.
- 24 June. Aviva wrote to Mr B setting out its engineers findings in his May inspection. It offered him £1,771 to settle the outstanding issues, plus £350 "*in recognition of the issues highlighted.*" It told him if he disagreed with this he could get his own independent engineer's report which it would review.
- 3 July.
  - Car inspected by an engineer appointed by Mr B. Found more damage and estimated additional repairs at just under £4,300.
  - Car passed MOT.

Mr B initially complained to this service before the car had been returned to him. He was unhappy with Aviva's decision to repair the car instead of declaring it a total loss. He was also worried about the financial consequences of trying to sell it, additional costs if the car wasn't adequately repaired, delays in repairs, the loss of personal belongings, and "*future risks*" (including future problems or increases to his insurance premium).

After the car was returned to him and inspected by his experts he told us: "*I have been left with a car that is mechanically damaged, cosmetically devalued, emotionally distrusted, and financially risky*". He provided two expert reports: the April report highlighting additional damage which he says "*did not exist before the theft*"; and the July report that confirmed this additional damage and concluded: "*it would have been in my opinion better to have dealt as a total loss*".

Our investigator recommended that the complaint should be upheld. She found Mr B's expert evidence persuasive. She thought Aviva should reassess the claim and either repair the car fully or declare the car a total loss. She also thought it should reimburse the cost of the July report (plus interest) and increase its proposed compensation from £350 to £450.

Aviva accepted our investigator's recommendation. Mr B didn't. He wants Aviva to compensate him for "*the time, cost, and emotional distress directly resulting from their prior mishandling of the case.*" This includes loss of use of the car, reimbursement of his report fees, insurance premium, and business disruption costs, plus interest.

The complaint was 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.

Mr B has made detailed submissions about why he believes Aviva's decision to repair the car was unfair and why he thinks he should be compensated around £20,000. I've looked at

everything he's said but I don't think I need to comment on each point to reach the right outcome. I've focused instead on what I think are the key issues.

Under the policy terms, when a policyholder's vehicle is damaged during a theft – as in this case – Aviva will either arrange for it to be repaired by one of its approved repairers or, if the car "*can't economically be repaired*", pay the car's market value. This is a standard way of settling motor insurance claims and isn't unreasonable. Just because a vehicle has been damaged after being stolen doesn't automatically mean it should be written off.

Mr B was concerned about underlying and "*hidden*" damage to his car when it was recovered. He clearly expressed these concerns in his 28 February and 4 March emails to Aviva. Aviva told him its repairer believed the car could be repaired but I found no evidence to support that assessment, such as an estimate of repair costs against the car's market value. I think it's difficult to see how Aviva could be sure any repairs would be economical without this.

But ultimately it's an insurer's decision whether or not a policyholder's vehicle should be repaired. Aviva's notes show the repairer believed most of the damage to be "*minor*", so I don't think it was unfair for Aviva to try to have the car repaired, despite Mr B's objections.

However, Mr B has provided two expert reports and the car's MOT history to support his position that the car was returned to him in an unsatisfactory and unsafe state:

- 'Vehicle health check report', April 2025. This identified an engine oil leak; damage to the lower engine undertray, outer CV boots, and tyres; cracked wheel alignment; and cracked subframe bushes.
- Engineer's report, July 2025. Mr B's engineer confirmed the damage identified in the April health check. He thought the damage claimed by Mr B was "*justified*" and noted that some of the June MOT failures were parts "*noted as damaged in the [repairer's] repair schedule.*" He estimated the cost of repairing the car at around £4,300. He concluded: "*it would have been in my opinion better to have dealt as a total loss*".
- MOT history. This shows a failure in June 2025 for the following dangerous or major defects which needed to be repaired immediately: nearside rear tyre tread, front undertray, nearside front tyre, front outer drive shaft, engine oil leak, and rear track rod alignment. The car passed its MOT on 3 July with no issues.

I think the expert evidence provided by Mr B is compelling. In particular, I think the engineer's July report supports Mr B. It confirms the additional damage found by Mr B's technician in April and Aviva's engineer in May, while acknowledging that some damage couldn't be proven to have been caused during the theft. I think the report is balanced and fair and I think his conclusion that the claim might better have been settled as a total loss is reasonable.

I recognise that Aviva's engineer believed most of the post-repair damage he found in May was wear and tear. I accept it's possible some damage either pre-existed or was unrelated to the theft. For example, I think it's unlikely the theft would have caused the damage to the seat stitching. However, I don't think Aviva has done enough to show the more significant damage (oil sump, suspension, wheel alignment) was wear and tear. It didn't ask Mr B to provide evidence of the car's recent service or the work he said he'd had done to the car (new brakes, discs, oil, filters). And I agree with Mr B's engineer who said: "*Surely the garage would have brought any [pre-existing] issues to [Mr B]'s attention.*" So I don't think it would be reasonable for Aviva to argue that the damage found by Mr B's experts was wear and tear or present pre-theft.

I think the repairer continually postponing the repair completion date is also relevant. While I accept that delays can happen – for example, sourcing replacement parts – this doesn't fully explain why the return date was pushed back at least five times. I also find it surprising that the repairer took five weeks to complete repairs he initially said would take “3 to 4 days work at most”. I understand why Mr B would have been unsettled by this.

I agree with Mr B that the “*constant rescheduling raises serious concerns about the car's condition and the possibility of further underlying issues.*” I also think it raises questions about the quality of repairs. The repairer's 10 April 'Breakdown of work' document shows repairs to – among other things – wheel alignment and outer CV boots. Mr B's experts found cracks in both post-repair. While Aviva's engineer thought the engine oil leak was wear and tear, I think it's unlikely this would have been present after the car was serviced shortly before it was stolen. I think it's more likely the oil leak was a result of the theft.

Overall, I'm satisfied that Mr B has shown that the initial repairs were inadequate. The question now is how to put things right.

Our investigator recommended that Aviva should reassess the claim. I think that's right. I haven't seen any evidence that the car can't be repaired. Mr B's engineer thought it would have been “*better*” to deem the car a total loss based on the total cost of repairs against the car's market value. But he listed the repairs required. I leave it to Aviva to decide whether it wants to repair the car in line with Mr B's engineer's findings or declare the car a total loss. Given Mr B's justifiable concerns about the quality of any future repairs, I think Aviva should – if he wishes – allow Mr B to use his own repairer to carry out this work. Mr B should provide Aviva with two quotes for this work which will allow it to decide how it wants to settle the claim.

Aviva should reimburse the cost of Mr B's two expert reports in April and July 2025, plus interest. I understand they cost £228 and £800 respectively, although I've only seen an invoice for the latter. I think it should also refund the cost of any repairs undertaken to pass the July 2025 MOT, again plus interest. I think Aviva can reasonably ask Mr B for evidence of all these costs (for example, invoices or a bank statement showing payment).

It's clear from reviewing Aviva's records, correspondence between the parties, and Mr B's evidence to us that Aviva's handling of the claim caused him distress and inconvenience. I think Aviva contributed to delays resolving the matter in two ways. As well as the delays repairing the car and the inadequacy of those repairs, it refused to consider Mr B's expert evidence. It told us it would “*never*” use a policyholder's engineer's report. Not only is that unfair but it also contradicts what it told Mr B in June 2025: “*you have the right to obtain your own independent engineer's report... This will be sent to our Senior Technical Engineer for his consideration....*”

I agree with our investigator that Aviva should compensate Mr B for this, but I won't be awarding the amount Mr B seeks because I don't think the costs he's claiming are reasonable.

For example, I don't agree with him that he should be awarded £11,475 for the loss of use of his car. First, his policy doesn't include a courtesy car so he'd always have to cover this cost himself. Second, Mr B hasn't provided evidence that he incurred this cost by hiring a car during this period.

Similarly, he hasn't provided evidence of any other consequential losses, such as the “*business disruption and loss of productivity*” he estimated at £3,000. I also disagree with him that Aviva should refund his insurance premium. He will, after all, have had use of the policy when Aviva finally settles the claim.

I've considered the level of award given by this service in similar circumstances. Having done so, I think Aviva should increase its compensation to £500 to reflect the distress and inconvenience it caused Mr B by its handling of his claim.

### **My final decision**

My final decision is that I uphold the complaint and order Aviva Insurance Limited to:

- Reassess the claim and either repair the car in line with the July 2025 engineer's report or declare it a total loss and settle in line with the remaining policy terms.
- Refund Mr B £228 for the April 2025 'Vehicle health check report', plus interest at 8% simple per year from the date of payment to the date of settlement.
- Refund Mr B £800 for the July 2025 engineer report, plus interest at 8% simple per year from the date of payment to the date of settlement.
- Refund Mr B the cost of any repairs he paid to pass the July 2025 MOT, plus interest at 8% simple per year from the date of payment to the date of settlement.
- Pay Mr B £500 to reflect the distress and inconvenience it caused him by its poor handling of his claim. If it has already paid Mr B £350 as per its June 2025 offer, it can deduct this from my award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 February 2026.

Simon Begley  
**Ombudsman**