

The complaint

Ms B complains about the handling of her car insurance claim by Aviva Insurance Limited and the delay to settling it.

What happened

In February 2023, Ms B's car was involved in an accident with another vehicle. She submitted a claim to Aviva. Aviva contacted the third party's insurance company ("TPI") who confirmed it wouldn't contest liability.

Ms B's car was repaired. But in April/May 2023 she complained to Aviva. She was unhappy about the length of time things were taking to resolve, that no courtesy car had been provided while she couldn't use hers, and that she'd had to pay the policy excess to the repairer. She said the lack of courtesy car meant she'd lost income. She was also unhappy with the quality of the repairs done. Aviva instructed an engineer to inspect Ms B's car and asked her to provide "*details showing loss of income*".

Meanwhile, Aviva passed evidence of its outlays on to the TPI.

Ms B had Motor Legal cover as part of her insurance policy and under this Aviva appointed a firm of solicitors, who I'll call "C", to deal with Ms B's uninsured losses. C first wrote to Ms B in May 2023. At the time, it said it understood she had suffered the following losses: Policy Excess £250, Other Out of Pocket Expenses £160, Loss of Earnings – Claimant £1,290. C's letter to Ms B also included the following:

"If you receive any calls or letters from anyone else regarding the accident (e.g. insurance companies or other solicitors firms) ... Please refer any calls or letters to us and we will deal with them on your behalf ..."

On 19 June 2023, Aviva formerly responded to Ms B's complaint. It accepted that there had been delays to repairing the car, that she had not been provided with a courtesy vehicle, and that her car needed some further work. It offered her £350 "*in full and final settlement*" of her complaint and gave referral rights to this service. Ms B accepted the £350.

By August 2023 Aviva had not received payment from the TPI. So, it appointed another firm of solicitors, who I'll call "P", to pursue recovery of its outlays. On 29 August 2023 Aviva wrote to Ms B explaining:

"We want to let you know that we've instructed [P] to recover the cost of settling your claim from the third party insurers ... you'll get a text message or email from them soon explaining what'll happen next. There's no need to contact us — they'll be in touch to discuss the next steps with you."

The letter continued, addressing some commonly asked questions:

"You've already instructed a solicitor to recover my uninsured losses how is this different?"

Uninsured losses are items of expense that aren't covered by your own insurance policy, like excess or loss of earnings.

The difference here is that the solicitor instructed through your Motor Legal cover (where your policy includes this) is attempting to recover your own uninsured losses whereas [P] are looking at getting back our costs on your claim.

...

What happens with my uninsured loss claim now?

It's important that you give [P] all the relevant information about your uninsured loss claim. If solicitors are instructed through your Motor Legal Cover let [P] know so they can get in touch with them to make sure they know about our intentions too ..."

Aviva's notes say P first tried to contact Ms B on or around 6 September 2023.

In February/March 2024, Ms B contacted Aviva to say that she'd submitted everything she'd been asked for to C, but that she'd heard nothing since November. She said her claim had "*dragged on*". Aviva sent a chaser email to C on Ms B's behalf.

On 11 June 2024, P emailed Ms B asking for her to complete an uninsured losses form. It said it was acting for Aviva and added:

"If you have no losses or you've already recovered or **you have another company claiming for you already** it is still essential that you complete and return this form, or if you prefer please call us direct on: ..." (emphasis added)

Ms B replied to P and C, copying in Aviva, asking P to contact C. She said she was under the impression she ought only to be dealing with C, and said to P, "*You are requested not to harass me again as there is an existing law firm in place!*" She also asked Aviva to "*make sure that everyone is aligned*".

In July 2024, Ms B contacted Aviva again. She said she had "*drawn a blank in the correspondence from the two lawyers involved*", and didn't understand what to do next as she thought she should only be dealing with C. Ms B was concerned that the claim still showed as a 'fault' claim against her and that it was impacting her future insurance. Aviva refused Ms B's request to re-open the earlier complaint but opened a new one. In its final response, dated 2 August 2024, Aviva said, in summary:

- The claim remained open because Aviva had not been able to recover its costs from the TPI. Whilst it remained open this would impact future insurance, but if closed as fully recovered Ms B would be able to claim back any "*over paid*" premiums.
- Because Ms B had not responded to P's requests for "*information regarding your uninsured losses*", and had only recently referred P to C, the claim had not progressed.
- It was happy it had done all it could to recover Ms B's claim costs.

Ms B told Aviva that C had made her sign an undertaking not to speak with any other lawyer. She said it seemed it was C that had not been passing the required information to P.

On 30 September 2024, Aviva told C that P had also been instructed.

In October 2024, Ms B presented the lost earnings evidence she'd supplied to C, directly to Aviva. Aviva said it had already addressed her complaint about not being provided with a courtesy vehicle, in June 2023, and that Ms B had accepted the £350 compensation offered. She reiterated that she'd been unable to work as much from February 2023 to April 2023 without a car, and was unhappy her lost earnings had not been reimbursed.

In November 2024, P stepped aside and handed the entire claim – both Aviva's outlay and Ms B's uninsured losses – over to C. It told Aviva, "*Despite our attempts we have been unable to secure payment of your outlay due to Client no cooperation*".

Ms B referred her complaint to us in November 2024. She complained, in summary, that:

- Aviva hadn't provided her with a courtesy car initially so she was left without a vehicle and could not work, but had not yet received reimbursement of her lost earnings;
- the repairs to her car were poor and required rectification work; and
- whilst the claim remained unsettled it continued to be registered as a 'fault' claim, impacting her premiums, but the delays were not her fault – she'd complied with requests for information about her losses, sending this to C, but C "*were non cooperative non responsive*", and she'd not yet been reimbursed for a damaged car seat or the excess she'd paid to the repairs garage.

Our Investigator's view

Our Investigator didn't uphold the complaint. Firstly, she said Ms B had referred her complaint about not receiving a courtesy car, and the quality of the repairs, too late for us to consider it under our rules. Secondly, she said it was fair for Aviva to record the complaint against Ms B as 'fault' as it hadn't yet been able to recover its costs. And she agreed with Aviva that it had done all it could to progress the claim by appointing P.

She added that if Ms B thought C responsible for any poor service or delays, she could raise a complaint with the Legal Ombudsman.

Ms B didn't accept this. She said she'd provided C with all the information asked for – but C had been slow to respond, and that her loss of earnings should be addressed by this service because she'd raised this issue again as part of her 2024 complaint. She added that it's Aviva that's responsible for her lost income, not the TPI. She said, "*Aviva has not got back on the loss of earnings as this has not been represented and this has got nothing to do with any litigation but an attempt by Aviva to brush it under the carpet*".

As no agreement could be reached, the complaint was passed to me to review afresh and make a decision.

Recent events

In February 2025, I understand C was successful in recovering Aviva's outlay, and Ms B's excess payment. The claim has therefore been closed as 'non-fault' and Ms B's no claims discount allowed.

As part of my review of the complaint I asked Aviva to clarify a few things. The key responses were:

- Aviva has no record of Ms B making a claim under her car insurance for a damaged car seat, but under her policy she would be "*entitled to a full replacement car seat*".
- Aviva recognises that two law firms were appointed because of an oversight on the part of the recoveries team – it ought to have instructed C to pursue Aviva's costs.
- From its appointment in August 2023 until September 2024 P tried to reach out to Ms B and gather the information required for the claim.
- The first time Aviva told C that P had also been appointed was on 30 September 2024.

Ms B also provided some more information. She said:

- She was advised to change a car seat after the accident but has not received any reimbursement of this cost from either Aviva or the TPI.
- C has not recovered her lost earnings from the TPI.
- There were several occasions where she asked Aviva to "*look into the conduct of the lawyer they provided*", but it did not.

The scope of this decision

Before I continue, I want to make it clear that this decision deals only with Ms B's complaints that: Aviva didn't provide a courtesy car initially (or reimburse the earnings she says she lost because of this), the repairs to her car were poor, and the claim remained unsettled/registered as 'fault' because there were avoidable delays to Aviva recovering its costs.

I understand that Ms B is also unhappy with C, how it progressed her uninsured losses claim against the TPI, and the outcome of that claim. As this part of Ms B's complaint relates specifically to the services provided to her under her Motor Legal cover (legal expenses insurance), and the recovery of her uninsured losses, I consider that this would be best handled as a separate complaint. I will leave it to the Investigator to contact the parties about this.

My provisional findings

I issued a provisional decision on 4 July 2025 in which I concluded that Ms B's complaint should be partly upheld.

I found that I couldn't look at Ms B's complaint that she was without a car from the time of the accident in February 2023 until April 2023 because Aviva didn't provide a courtesy car, nor her complaint that the repairs to her car were poor and required rectification work. I explained that Ms B had referred these complaints to us too late for us to be able to look at them. As Aviva hadn't consented to the Ombudsman considering these complaints, and I'd seen no evidence of any exceptional circumstances which would have prevented Ms B from referring these complaints to us before December 2023, I said I had no power to consider them.

With regards to the remainder of Ms B's complaint I said:

"Delays to settling the claim/Aviva recovering its costs

The first thing to say here is that whilst an insurer hasn't been able to recover all its costs it is not unreasonable for the claim to be recorded against the policyholder as a 'fault' claim. And that may impact a consumer's future insurance premiums. However, the insurer, or its representative, shouldn't unnecessarily delay settling the claim.

I provisionally think there were some avoidable issues here which prolonged the settlement of this claim. I don't agree that Aviva did all that it should have done to progress the recovery of its outlay.

As can be seen from the timeline I've set out in some detail above, there was little progress made on recovering Aviva's costs between P being instructed in August 2023 and September 2024. I've thought carefully about what happened over that year long period. I accept that C's actions or inactions on behalf of Ms B, might have contributed to how long things took, and that Aviva aren't responsible for what C did or didn't do in relation to Ms B's claim for uninsured losses on a day-to-day basis as C were acting only for Ms B until November 2024, not Aviva. But I also provisionally find that much of the delay could have been avoided by Aviva and its representative, P.

Aviva had already appointed C under Ms B's Motor Legal cover but, because of an oversight in its recoveries team, it then instructed P as well. I recognise that Aviva gave Ms B some generic information when it instructed P which explained that she could and should respond to both law firms, but given the messaging she'd already received from C, I can understand why she was reluctant to engage when P did make contact, and why she deferred to C. And I haven't been provided with any evidence that P, on behalf of Aviva, did anything to resolve the issue it was having

with progressing Aviva's outlay claim (obtaining information from Ms B and C) between August 2023 and September 2024.

It seems it was only Ms B's second complaint which got things moving and prompted both P to reach out to C directly (on 4 September 2024), and Aviva to, belatedly, inform C that P was also involved (on 30 September 2024). Once that had happened, C was ready to submit the claim for Ms B's uninsured losses to the TPI by mid-October 2024 and to take over the claim for Aviva's outlay in November 2024. Settlement was achieved three months later, in February 2025.

I've thought about what would likely have happened to the timeline for recovering Aviva's outlay (and closing the claim) in the counterfactual scenarios where either Aviva instructed C in August 2023 (rather than P) or where P, having been unsuccessful in obtaining information from Ms B and C after a reasonable period of trying, took proactive action (perhaps at the end of 2023) such as contacting, or asking Aviva to contact, C. Having done so, I can't say the claim would necessarily have been settled and closed a whole year earlier than it was because time would still have been needed for evidence gathering and communication with the TPI. But I don't think some uncertainty about what the timeline would have looked like in those scenarios prevents me from concluding that Aviva's outlay claim could and should have been progressed with considerably greater pace.

I think that Ms B has been caused distress and inconvenience by some avoidable delay to settling this claim. I provisionally find that, if Aviva or P had acted differently, by either instructing one law firm at the start or by being proactive in progressing the costs claim when Ms B was, understandably, reluctant to engage, Ms B wouldn't have remained in the position of being unclear about which law firm to deal with, and it's more likely than not the claim would have been settled, as it was in February 2025, at least several months earlier.

To recognise the impact of this, I think it would be fair and reasonable for Aviva to pay Ms B £250 compensation.

As I consider that the claim was recorded as 'fault' on Ms B's record for longer than it ought to have been, I also expect Aviva, if it has not already done so, to remedy any impact the delay to settling this claim may have had on increasing Ms B's insurance premium at renewal. This applies even if Ms B has since moved to a different insurer.

Car seat

When Aviva appointed C to deal with Ms B's uninsured losses it appears that damage to a car seat was included as an 'uninsured loss' under the heading 'Other Out of Pocket Expenses'. It is not clear to me why it was dealt with in this way. Whilst Aviva says it wasn't approached by Ms B about this loss it seems more likely than not this is a loss Ms B brought to Aviva's attention before May 2023. And I can see she specifically mentioned being unhappy about not having received reimbursement for "damage to the car seat" when she contacted Aviva in March 2024.

Aviva has since confirmed to me that Ms B was entitled to a full replacement seat under her policy. Indeed, the policy said under 'Section 1. Loss of or damage to your car':

"Child seats

*If child seats are fitted in **your car** and you make a claim under this section we **will** pay the cost to replace them even if there is no apparent damage."*

I therefore intend to require Aviva to assess Ms B's claim for the car seat in line with the remaining policy terms.

I note, for completeness, that she does not appear to have already recovered this loss from the TPI."

In response to my provisional decision, Aviva agreed to do what I'd said.

Ms B responded and provided evidence that she had sent details of the car seat to C in March 2024 and September 2024. She added that she'd also communicated with Aviva about the car seat, which she said cost approximately £250. She also showed that her car insurance renewal quote in 2024 was around £300 higher than it had been in 2023.

I'm now able to make my 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.

Having done so, I see no reason to depart from the findings I set out in my provisional decision. Neither party has made any submissions in response to my provisional decision which would lead me to conclude that my provisional findings should be altered. So, to begin with, I confirm that I still find that Ms B's complaint that Aviva didn't provide a courtesy car, and her complaint that the repairs to her car were poor, are not complaints I can consider as they were referred to this service too late.

Turning to the remainder of Ms B's complaint, whilst I find it was reasonable for the claim to be recorded against Ms B as a 'fault' claim while Aviva recovered its costs, I don't think Aviva did all that it should have done to progress the recovery of its outlay. There were delays that I think could have been avoided by Aviva and its representative, P. And if either Aviva or P had acted differently then I think it's more likely than not the claim would have progressed much more quickly and been settled at least several months earlier than it was.

To recognise the distress and inconvenience caused to Ms B by the avoidable delay to settling this claim I think it would be fair and reasonable for Aviva to pay Ms B £250 compensation.

I also expect Aviva to remedy any impact the delay to settling this claim may have had on increasing Ms B's insurance premiums at renewal. This applies even if Ms B has since moved to a different insurer.

In addition, I remain of the view that it's more likely than not that Ms B brought the loss of a car seat to Aviva's attention before May 2023. So, I find that Aviva ought to assess Ms B's claim for the car seat in line with the remaining policy terms.

Putting things right

I require Aviva Insurance Limited to:

- pay Ms B £250 for the distress and inconvenience it's caused her by the avoidable delay to recovering its outlay and settling her claim
- reimburse Ms B any car insurance premium increase she has paid which was attributable to this claim remaining recorded as 'fault'
- assess Ms B's claim for damage to the car seat

My final decision

For the reasons I've set out above, and in my provisional decision, I partly uphold Ms B's

complaint. To put things right I require that Aviva Insurance Limited must pay the award and take the actions set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 18 August 2025.

Beth Wilcox
Ombudsman