

The complaint

Mrs B complains that Aviva Insurance Limited treated her unfairly in a motor insurance claim.

What happened

Mrs B had an Aviva motor insurance policy. In January 2025 her car was damaged in a flood. Aviva declared the car a total loss, eventually valued it at £4,500, and paid this to Mrs B to settle the claim, less the £250 policy excess.

Mrs B didn't accept this. She said, in summary:

- She was waiting for recovery from the accident scene for several hours.
- Aviva didn't provide a courtesy car.
- Its initial valuation of her car was too low, delayed, and based on the wrong car.
- It destroyed her personal belongings.
- Its handling of the claim caused inconvenience and left her very distressed.

Aviva wouldn't increase its valuation for the car, but agreed its service had been poor. It accepted that it took longer than it should have done to value the car, and it should have given her a courtesy car under the policy terms. It eventually offered her £860:

- £300 for having her to use her mum's car for three weeks.
- £500 for the car seat, sunglasses, and other personal belongings left in the car and either broken or not returned to her.
- £50 to reimburse her taxi from the accident.
- £10 interest.

Our investigator didn't uphold the complaint because he thought Aviva's offer was fair. Mrs B didn't accept this. She doesn't think Aviva's offer adequately reflects the distress and inconvenience she suffered. The case was passed to me to review.

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.

Although I recognise it took some time to get there, I think Aviva's offer is fair. I'll explain why.

- The policy says if Aviva doesn't repair Mrs B's car, it must pay her its market value. The policy booklet defines market value as: *"the cost of replacing your vehicle with one of the same make, model, specification, year, mileage and condition."*
- When we look at complaints about valuations, we check the relevant valuation guides and consider whether the insurer has made a reasonable offer in line with them. These

guide values are based on nationwide research of selling prices.

- Aviva's record show it valued the car at £5,500. It told us: "*The valuation was reviewed by a senior engineer, who considered the industry guides, and researched the marketplace to check that the correct valuation had been provided.*" It's not clear from Aviva's records which guides it used. It provided three adverts for the same car and approximate mileage listed at £5,498, £5,795, and £5,995.
- Adverts are a way of checking how much it might cost a customer to buy a replacement car, however sale prices are often lower than the advertised price after negotiations between buyer and seller.
- Our investigator found the following guide valuations based on a similar make, model, mileage, and condition of Mrs B's vehicle at the time of loss: £4,395, £5,030, £4,071, and £3,728.
- Given the evidence of the valuation guides and adverts, I'm satisfied that Aviva's final valuation of the car at £5,500 was fair.
- That's in line with what Mrs B thinks her car was worth. However, Aviva deducted £1,000 from this to reflect the car's pre-accident damage – that is, damage not related to the incident she's claiming for. Mrs B disputes this.
- I think the damage report and photos of the car show quite significant damage to the nearside doors. Aviva's engineer said one had to be replaced, and the other repaired. He estimated the cost of these repairs at £2,205.
- We think it's fair for an insurer to reduce its valuation if the pre-incident damage would have affected the vehicle's value. Otherwise it would be paying a policyholder more than the true market value of the car. In this case, I'm satisfied that Aviva can make a deduction for the damage to the car doors.
- Our general approach when assessing this is to take the cost of repairing the pre-incident damage, divide that figure by two, and deduct it from the settlement. We think this is a simple and fair way of assessing the deduction. Aviva reduced its valuation of the car by £1,000 to get to a market value of £4,500. I'm satisfied this was in line with our approach and was fair.
- I've also looked at Aviva's £860 compensation offer. It told us this covered: taxi costs, the three-week period where Mrs B had to use her mum's car instead of having a courtesy car, and personal belongings. I note it didn't ask Mrs B to provide evidence of these costs and agreed to pay the taxi and the maximum limit for personal belongings on the policy schedule. I think this was a fair approach.
- The claim was on 6 January. Aviva's engineer inspected the car, declared it a total loss, and made its initial settlement offer on 17 January. Insurance claims can take time to sort out and, in the circumstances, I don't think this timeframe is unreasonable.
- However, it initially valued the car at just £3,280. It took until the end of February before it offered her a fair value for the car. It's not clear from Aviva's records why there was a six-week delay resolving this. It also failed to provide a courtesy car – shown on her policy schedule ("*Optional covers include standard courtesy car*"). It then destroyed the car and Mrs B's personal belongings after it told her she could collect these from the salvage agent.
- I think Aviva treated Mrs B unfairly at the start of the claim. However, it recognised this when it looked into Mrs B's complaint and acknowledged the frustration she experienced

during the claim. It's unfortunate that Mrs B had to complain about this before Aviva resolved the matter. However, I think it has made a fair and reasonable offer to put things right.

In the circumstances, I'm satisfied that Aviva's £860 compensation offer is fair. I won't be asking it to do any more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 23 October 2025.

Simon Begley
Ombudsman