

The complaint

Mr D has complained that Aviva Insurance Limited poorly handled a claim Mrs D as named driver made under his car insurance policy.

What happened

Mrs D was involved in an incident with another driver in July 2022. She made a claim as named driver under Mr D's policy with Aviva.

Mr D complained to Aviva in September and October 2024 about the time it took to deal with the claim and the lack of updates. Mr D said he provided Aviva with CCTV footage to show the other driver was at fault in July 2022, but it didn't pass this information to the third party insurer (TPI) or its legal representatives until November 2023. He said if Aviva had done this in July 2022, court proceedings would have been avoided as liability was accepted by the TPI once the CCTV footage was made available.

Mr D says he and Mrs D were caused unnecessary distress and inconvenience over a prolonged period of time.

Aviva closed the claim as a non fault claim and allowed Mr D's No Claims Bonus (NCB) in September 2024.

Mr D has raised a separate complaint about the impact on the premiums he paid during this time. This is being dealt with separately by this service.

Aviva accepted it had caused delays and failed to update Mr D. In November 2023 it paid Mr D £200 compensation.

Aviva sent this payment by cheque to an old address, so Mr D didn't receive this payment until July 2024.

In October 2024 Aviva upheld Mr D's complaint about poor communication and lack of updates. It offered Mr D £150 compensation which he didn't accept.

In December 2024 Mr D asked us to look at their complaints. One of our Investigators recommended Aviva increase the compensation award by a further £150 in addition to the offer of £150 in October 2024.

Aviva accepted the Investigator's recommendations. Mr D says the additional award doesn't reflect the distress and inconvenience caused to him and Mrs D during a period of 26 months.

I issued a provisional decision on 7 July 2025 and intended to ask Aviva to increase the compensation award to £500 for the distress and inconvenience caused by its poor handling of the claim.

Neither party has replied to my provisional decision. So the case has been passed back to me for 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.

As I haven't received a response from either party to my provisional decision, my final decision is on the same lines.

What my provisional findings were

Three days after the incident in July 2022, Mr D made Aviva aware of key evidence to support the claim. Aviva's notes show that Mr D sent a link to download CCTV footage of the incident on 19 July 2022.

On 15 August 2022 Aviva acknowledged it had the footage.

On 19 December 2022 Aviva realised it hadn't obtained Mr D's permission to share the footage with the TPI. It requested this from Mr D. This was five months after the evidence was first sent to Aviva.

On 4 January 2023 Aviva made the decision not to share the footage with the TPI. It isn't clear from the notes as to why.

In February 2023 Aviva's legal team began dealing with court proceedings brought by the TPI who said Mrs D was at fault for the incident.

In November 2023 Aviva's legal team asked Aviva to provide the footage. A few days later the notes show;

"Please note that the matter was discontinued by the Claimant on receipt of video footage of the incident."

As a result of this decision, Aviva looked to recover the claim costs from the TPI. In March 2024 it's notes show it was able to recover all but £54 from the TPI and that it would look to abandon pursuing recovery of this amount.

However, it wasn't until September 2024 when Mr D raised a further complaint that Aviva decided to close the claim as a non fault claim and allow his NCB. I find this was a further unnecessary delay of six months.

I haven't seen the footage. And it isn't our role to decide liability, as this is the role of the courts. But we can decide if an insurer has properly investigated and promptly dealt with a claim. We can look at whether an insurer treated a customer fairly when doing so.

It seems that had Aviva decided to share the footage when it was first available that – on balance – liability would have been accepted by the TPI much sooner. And the TPI wouldn't have initiated court proceedings as – once it had sight of the footage – they accepted liability.

So I find Aviva has acted unreasonably here and caused Mr and Mrs D unnecessary distress and inconvenience over a prolonged period of time.

In addition to failing to act promptly on key evidence, it's clear that there were periods of delay caused by Aviva in failing to progress the claim, confusion in providing Mr D with a courtesy car, and failing to provide updates to Mr D.

Mr D has explained that having to deal with the prospect of going to court and face the third party caused Mrs D considerable distress and worry, and made an existing health condition considerably worse.

I've considered whether Aviva's compensation award which it has paid and offered so far is reasonable. I don't think it is. I find that Aviva's poor handling of the claim caused unnecessary and prolonged delay to Mr and Mrs D. I understand Mr D's complaint about the amount of premium refund he received when the claim was closed has been dealt with under a separate complaint.

For the distress and inconvenience caused, I think Aviva should pay a further £350, in addition to the £150 it offered in October 2024. This is in line with awards we give in similar cases, taking into account the length of time it took to settle the claim, and the significant impact on Mr and Mrs D.

My final decision

My final decision is that I uphold this complaint. I require Aviva Insurance Limited to increase the compensation it has paid to Mr and Mrs D by £350, so £500 for the distress and inconvenience caused by its poor handling of the claim.

For the avoidance of doubt, this is in addition to the £200 compensation it paid in July 2024 for the complaint Aviva replied to in November 2023.

Aviva Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr and Mrs D accept my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

If Aviva Insurance Limited considers that it's required by HM Revenue & Customs to withhold income tax from that interest, it should tell Mr and Mrs D how much it's taken off. It should also give Mr and Mrs D a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 20 August 2025.

Geraldine Newbold
Ombudsman