

## The complaint

Miss Z complains about how Aviva Insurance Limited (Aviva) handled a claim under her motor insurance policy following an accident. She's unhappy at Aviva's valuation of her vehicle as a total loss, saying their valuation is too low and should be higher to reflect examples of similar vehicles advertised for sale and improvements she made to the vehicle before the accident/ She's also unhappy at Aviva declining to cover what she maintains are personal injuries she suffered in the accident and consequent loss of earnings. Finally, she's also unhappy at the time taken by Aviva to settle the claim.

References to Aviva in this decision include their agents.

Miss Z was supported by a representative when bringing her complaint to this Service. References to Miss Z include her representative.

## What happened

In January 2025 Miss Z was involved in an accident in which she skidded on ice and collided with a third-party's property, sustaining some injuries. She contacted Aviva to lodge a claim for the damage to her vehicle and, subsequently, what she considered to be a loss or earnings from having to take time off from work because of the injuries she sustained (£3,000) and the injuries themselves (£7,000). She based these figures on what she thought she would be able to secure should she engage an accident management company to pursue a claim.

Following the accident and Miss Z's vehicle initially recovered to a compound, Aviva arranged for the vehicle to be delivered back to Miss Z's home as there was the possibility she might want to retain the vehicle (should it be assessed as a total loss). Aviva arranged for an engineer (S) to assess the damage to her vehicle, based on photographs of the vehicle provided by Miss Z. The engineer concluded the extent of the damage, when compared to the age of the vehicle, meant it was uneconomic to repair and would therefore be considered a total loss. Using an analytics tool and details of the vehicle and a figure provided by a recognised industry valuation guide, Aviva offered a total loss valuation of £2,729 from which they would deduct the policy excess of £250 and a salvage value of £682.25 (25% of the valuation).

Miss Z wasn't happy with the valuation, thinking it too low for her vehicle. She said she'd made improvements to the vehicle that would have increased its value and provided examples of vehicles advertised for sale she considered like her own, for up to £3,500. Aviva considered her challenge but after several reviews, maintained their valuation was fair and wouldn't be increased.

On her claim for uninsured losses, Aviva said they weren't covered under the policy. As the accident was also considered to be a fault claim against Miss Z, she wouldn't have been able to pursue recovery through the optional Motor Legal section of the policy. And in any event, she hadn't taken out this optional cover. Nor had she taken out enhanced accident protection (again optional) which also provided for more serious injuries to be covered (which she hadn't sustained).

Miss Z was unhappy with both the valuation of her vehicle and Aviva declining to cover her uninsured losses. She was also unhappy at the time taken to assess and settle the claim. So, she complained to Aviva (February 2025 and again in April 2025).

Aviva partially upheld Miss Z's complaint about the valuation of her vehicle as a total loss and the time taken to assess her claim. In the final response issued in March 2025, Aviva said their engineer had assessed the vehicle until the end of January 2025, with a valuation offer of £2,729 less the policy excess of £250 and a salvage value of £692.25 (as Miss Z said she wanted to retain the vehicle). Following Miss Z's challenge, the valuation was reviewed by a team leader (but not increased) and then by another engineer, who also agreed no increase in valuation. A senior engineer then carried out a further review but took eleven days to do so (compared with the standard five working days). While the review didn't change the valuation, Aviva accepted there were delays in the process and awarded £100 compensation to Miss Z.

Aviva issued a separate final response on the issue of personal injury and loss of earnings in April 2025, which didn't uphold the complaint. Aviva said Miss Z's claim would be defined as uninsured losses for insurance claim purposes. Aviva said a policyholder couldn't claim for uninsured losses under their own policy and they would have to be recovered from any third party involved in an accident (or their insurer). However, in Miss Z's case, the circumstances of the accident meant the claim had been recorded against her policy with Aviva. In turn, this meant Miss Z wouldn't be able to recover her uninsured losses. It would be Miss Z's choice should she wish to engage an accident management company to support her attempting to recover her uninsured losses (although it would be unlikely to be successful).

Aviva also noted some policies provided increased Personal Accident cover which entitled the policyholder to settlement for major injury and physiotherapy for minor injuries. But Miss Z hadn't opted for this additional cover on her policy, so she couldn't claim for bodily injury through her policy. While she did have standard Personal Accident cover, this only covered major injuries such as loss of limb, sight and hearing. While Miss Z had incurred injury, it wasn't in this category, so she couldn't make a claim.

Aviva subsequently clarified Miss Z also hadn't opted for Motor Legal cover, which would have provided for payment of legal costs to recover financial losses incurred by a policyholder. But this was dependent on the liability outcome of a claim and whether the cover had been taken out – but Miss Z hadn't taken out this cover and the claim from the accident had been settled against her policy.

Miss Z then complained to this Service. She didn't accept Aviva's valuation of her vehicle was fair, providing examples of vehicles like her own advertised at higher prices (£3,500) and noting she had made improvements to her vehicle, which she maintained increased its value. Nor did she accept Aviva's view she wasn't covered for her personal injuries and loss of earnings. And she didn't think £100 compensation was fair for how Aviva had handled the claim and the delays in the process.

Our investigator didn't uphold the complaint, concluding Aviva didn't need to take any action. On the vehicle valuation, he set out the approach of this Service to vehicle valuations, before noting the policy wording on market valuation. Figures from the recognised valuation guides indicated Aviva's valuation sat in line with the middle value. He also noted the examples of vehicles advertised for sale provided by Aviva were at or below their valuation and supported the conclusion Miss Z could replace her vehicle with one similar for Aviva's valuation. But Miss Z's examples weren't persuasive, one of which was much younger than her vehicle and with lower mileage. So, Aviva's valuation offer was fair.

On recovery on Miss Z's uninsured losses, the policy terms didn't include any provision for Miss Z to claim for uninsured losses. Motor Legal entitlement was an optional cover not taken up by Miss Z (and would only apply in the circumstances where an accident wasn't the fault of the policyholder). The Personal Accident cover section wording would cover more significant injuries, but these weren't those suffered by Miss Z. There was an optional increased accident cover available, but again this hadn't been selected by Miss Z.

On delays in the claim process, the investigator noted the time taken to make the settlement payment for Miss Z's vehicle and some delay in review of the valuation figure for her vehicle, in part due to her challenge and multiple reviews by Aviva. The investigator thought the £100 compensation awarded by Aviva was fair in the circumstances of the case.

Miss Z disagreed with the investigator's view and asked that an ombudsman consider the complaint. She disagreed on several grounds. On the vehicle valuation, she maintained the improvements made to her vehicle enhanced its value, as well as the examples she provided of similar vehicles advertised for sale. She also cited the FCA's Consumer Duty (Principle 6, Customers' Interests) and the requirements for firms to deliver good outcomes, in this case enabling her to secure a genuine market replacement. She wanted the valuation to reflect the highest industry valuation guide figure or an uplift to reflect the specific enhancements to her vehicle.

On recovery of her uninsured losses, she said the policy schedule was silent on Aviva's support for 'fault-based injury and economic loss' outside Motor Legal entitlement cover – but Aviva acknowledged she had sustained injury. She also referred to the FCA Treating Customers Fairly Outcome 6 requiring insurers to avoid post-sale barriers that unfairly restricted redress, mandating fair treatment of customers suffering genuine harm. She also cited the Consumer Duty requirement for insurers to act to deliver fair and helpful outcomes, especially where financial hardship or injury was involved.

Nor did Miss Z feel £100 compensation was sufficient for delays and the associated emotional strain she suffered. She cited FCA Principle 7 requiring clear communication with customers and European Supervisory Authority Regulation (EIOPA Regulation) requiring prompt resolution to avoid consumer detriment. She wanted the compensation increased.

### **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 Miss Z.

There are three key issues in Miss Z's complaint. The first is the valuation of her vehicle as a total loss. She doesn't think Aviva's valuation is fair, saying it should be higher. She's provided examples of vehicles advertised for sale at higher values that she says are like her own vehicle. Aviva say their valuation is fair, again providing examples of similar vehicles advertised for sale at, or close to their valuation.

The second issue is Aviva declining to cover what Miss Z says are her uninsured losses, being a loss of earnings and the injuries she suffered in the accident. She says Aviva should cover these uninsured losses. Aviva says the policy doesn't provide for covering uninsured losses claimed by Miss Z. And she didn't take out the optional enhanced Personal Accident cover and Motor Legal Entitlement cover that might have enabled her to claim, respectively, for certain personal injuries and pursue a claim for uninsured losses against a third party. Aviva also note the accident was deemed to be a fault claim against Miss Z, meaning she couldn't pursue a claim for uninsured losses against a third party or their insurer.

The final issue is the time taken to assess and settle the claim. Miss Z says there were delays that caused her distress. Aviva accept come delays, particularly in reviewing the valuation of Miss Z's vehicle, and have awarded £100 compensation.

I'll consider each of the issues in turn.

*(a) Valuation of Miss Z's vehicle*

On the first issue, how Aviva calculated their settlement valuation, I've first looked at what the policy terms set out. In cases of total loss, the policy provides for the market value of the vehicle to be paid. Market value is defined in the policy as:

*"The cost of replacing your car with one of the same make, model, specification and condition. The market value, determined at the time of loss or damage, may also be affected by other factors such as mileage, MOT status (if one is required), how you purchased your car and whether it has been previously declared a total loss."*

As a Service, our approach to vehicle valuations starts by looking at an insurer's valuation, which we generally expect to be based on relevant industry valuation guides. We'd expect an insurer's valuation to be based on the highest valuation guide figure (or higher). If it was, then we are likely to say it's fair, unless there's other evidence to say this is unfair (or that an insurer can evidence their offer is fair where it's lower than the highest guide value).

I've then looked at the valuations for Miss Z's vehicle from Aviva. Aviva obtained a valuation from a recognised industry valuation guide (A) which provided a retail transacted figure of £3,192. However, Aviva then applied their own valuation tool that also looked at market date for the advertised selling prices of similar vehicles. The result was a valuation figure of £2,729. When challenged by Miss Z, this valuation was reviewed at several stages within Aviva, but these reviews didn't change the valuation figure (although the review processes did add time to the claims process).

Having established how Aviva arrived at their valuation, I've then looked at the valuations for Miss Z's vehicle from the four recognised industry valuation guides used by this Service. One didn't return a valuation, but three did (including the same guide (A) used by Aviva. The results were as follows:

- (A) £3,095 (Retail transacted)
- (B) £2,710 (Retail transacted)
- (C) £2,563 (Market value)

As I've noted, our approach as a Service is that we would expect Aviva's valuation to be based on (or close to) the highest valuation guide figure (or higher). Unless there is other evidence to say this is unfair or supports a lower valuation.

Picking up this latter point, the valuation report produced by Aviva also includes five examples of vehicles like Miss Z's vehicle. All are for the same year as Miss Z's vehicle and the same engine size and model. Four are for the newer plate for the year. All have mileages within a few thousand miles of Miss Z's vehicle. The prices range from £2,475 and £2,495 through £2,750 to £2,950. So, they are comparable to Miss Z's vehicle and priced at or near (and in two cases lower than) Aviva's valuation of £2,729. Aviva also provided two further examples of similar vehicles (same year and plate, similar mileages) for £2,249 and £2,599.

At this point, I've also looked at the examples provided by Miss Z. She's provided two examples, both priced at £3,500. However, one is the same year as her vehicle (but a newer

plate) and has 24,000 miles fewer. The other is of a similar mileage, but two years younger than her vehicle. So, neither are directly comparable with her vehicle. And having two vehicles priced higher doesn't of itself, mean Aviva's valuation is unfair or unreasonable, nor negate the examples of vehicles provided by Aviva that at priced at, or below, their valuation. So, I'm not persuaded they mean Aviva's valuation is unfair or unreasonable.

So, on balance, given the number and values of the examples provided by Aviva, I've concluded the examples indicate Miss Z would have been able to purchase a replacement vehicle for Aviva's valuation figure. So, I've concluded Avia's valuation offer of £2,729 was fair and reasonable.

Miss Z also argues that she had replaced worn parts on her vehicle (brakes and exhaust), which would enhance its value. However, these are maintenance items which vehicle owners expect to replace to ensure the vehicle is maintained and roadworthy – they don't affect the market value of a vehicle. So, I've concluded it was fair for Aviva not to change their valuation for this factor.

#### *(b) Claim for uninsured losses*

Miss Z wants Aviva to cover what she considers to be her uninsured losses arising from the accident. She estimates these to be £3,000 for a loss of earnings because of her not being able to work because of the injuries she suffered in the accident and a further £7,000 for the injuries themselves (based on her contact with accident management companies). Aviva say she isn't covered for such uninsured losses under her policy. They would only be covered by bringing a claim against a third party involved in the accident (or their insurer) in the scenario where liability for the accident was established (or accepted) by any such third party. In the circumstances of the accident in this case, it appears Miss Z skidded on ice and collided with a third party's property. In that situation, it wouldn't be the fault of the third party, which is why Aviva deemed the accident to be a fault claim on the part of Miss Z. Aviva say Miss Z could consider engaging a claims management company to pursue recovery of her uninsured losses – but the chances of success would be limited.

Looking at Miss Z's policy, there is a section covering Personal Accident cover (Section 7) of the policy). But the terms of the section only cover the following:

*"...we will pay an amount as shown in your schedule, if, within three months of the accident, the injury is the sole cause of:*

- *Death.*
- *Irrecoverable loss of sight in one or both eyes or total and permanent loss of hearing in one or both ears*
- *Loss of any limb which means severance at or above the wrist or ankle, or the total and permanent loss of use of a hand, arm, foot or leg..."*

What this means is that cover is only for death or serious injury, none of which – fortunately - apply in the case of the injuries suffered by Miss Z in the accident. From the complaint brought by Miss Z against Aviva, she refers to leg pain, especially around her ankle and a limited capacity to walk. The section also includes optional Increased Personal Accident cover, which provides additional benefit for death or serious injury and physiotherapy cover for minor injuries. The cover applies irrespective of fault. However, Miss Z hadn't taken out this optional cover, so its provisions wouldn't apply in the circumstances of this case.

So, I've concluded the policy doesn't provide cover for the costs for personal injury claimed by Miss Z against Aviva.

On the question of whether loss of earnings would be covered under the policy, there are no references to this being included as one of the covers (insurable events) contained under the policy. Therefore, it was reasonable for Aviva to decline to cover this element of Miss Z's claim.

While I've reached these conclusions, I've also considered whether Miss Z might be able to claim for these uninsured losses against the third party involved in the accident (or their insurer). But as I've said, this would only be a realistic prospect had the accident clearly been the fault of the third party and they (or their insurer) had accepted liability.

Miss Z's policy includes a section (Section 8 Motor Legal) which would provide a range of benefits, including legal protection to claim costs or compensation after a motor accident or incident (but only where the accident or incident isn't the fault of the policyholder). There's also a condition that requires 'reasonable prospects of success throughout the duration of the claim.

In addition to these conditions, the cover is also optional under the policy. Miss Z didn't include this optional cover under the policy, so it wouldn't apply in any event.

I've also considered the specific points raised by Miss Z when disagreeing with our investigator's view. She says the policy schedule was silent on Aviva's support for 'fault-based injury and economic loss' outside Motor Legal entitlement cover. However, as I've noted, the policy does provide some cover for personal accident (injury) but only for death or serious injury (or enhanced personal injury under the optional cover). As the policy doesn't provide cover for general personal injury of the type sustained by Miss Z, then it's fair and reasonable that Aviva declined to cover it. So, even though it's not disputed Miss Z suffered injury, it doesn't mean Aviva are obligated to compensate her for it.

Miss Z also refers to the FCA Treating Customers Fairly Outcome 6 requiring insurers to avoid post-sale barriers that unfairly restricted redress, mandating fair treatment of customers suffering genuine harm. She also cites the Consumer Duty requirement for insurers to act to deliver fair and helpful outcomes, especially where financial hardship or injury was involved. However, these requirements do not, of themselves, override the provisions of the policy itself, which Miss Z entered into and explicitly accepted when she took out the policy. That is, they don't create new terms that apply to the policy.

Taking all these points together, I've concluded Aviva acted fairly and reasonably within the terms of the policy in declining Miss Z's claim for her uninsured losses.

### *(c) Handling of the claim*

In considering this issue, I've noted Aviva accept there were some delays in their handling of the claim, in particular the various reviews of the valuation of Miss Z's vehicle following her challenge that the valuation was too low. Reference is made to one review that should have taken five days but took eleven. While it's reasonable for Aviva to have considered the challenge from Miss Z (and I'd have expected them to do so, rather than dismiss it out of hand) it's clear the process took longer than it should, even though it didn't lead to a change in Aviva's valuation. Aviva also accept their communication with Miss Z could have been better during the process.

The case and complaint notes I've seen from Aviva confirm there were delays, which I've concluded would have caused some distress and inconvenience to Miss Z. As well as the specific circumstances of the case, I've also considered the published guidelines from this Service on our approach to awards for distress and inconvenience. Taking all these factors together, I think the £100 compensation awarded by Aviva is fair and reasonable, so I won't be asking them to increase the award.

While I've reached this conclusion, I have considered the points raised by Miss Z on this issue when disagreeing with our investigator's view. She cites FCA Principle 7 requiring clear communication with customers and European Supervisory Authority Regulation (EIOPA Regulation) requiring prompt resolution to avoid consumer detriment. However, I've considered the impact of the delays from Aviva, including the detriment to Miss Z. I've also noted that part of the rationale for the compensation is some shortcoming in communication which Aviva have themselves acknowledged. So, I've considered these aspects when reaching my conclusion that £100 is fair and reasonable compensation for the distress and inconvenience experienced by Miss Z.

Taking all these points into account, I've concluded Aviva have acted fairly and reasonably, 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 Miss Z's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Z to accept or reject my decision before 9 December 2025.

Paul King  
**Ombudsman**