

The complaint

Mr R has complained about the way Aviva Insurance Limited communicated with him when he notified it of an incident under his car insurance policy

What happened

Mr R was involved in an incident with another driver. Mr R notified Aviva of the incident. He didn't wish to make a claim. The third party initiated a claim to Aviva but later withdrew it.

Aviva recorded the incident as 'notification only' on its records and on a central claims database.

Mr R complained to Aviva. He said Aviva hadn't carried out any verification checks when it was in contact with him about the incident. Mr R didn't agree with Aviva's decision to record the incident on a central database as no claim had been made by either party. Mr R said the incident would impact on his premium in the future. He was unhappy with the way Aviva handled his complaint.

Aviva offered Mr R £50 compensation as a goodwill gesture.

In response to Mr R's complaint, Aviva said it had correctly recorded the incident as a notification and Mr R's No Claims Discount (NCD) was unaffected. Aviva said it would not have any financial impact on Mr R's premium. It wasn't sure why an offer to pay £50 had been made as Aviva hadn't done anything wrong. But it said it would honour the offer.

Mr R brought his complaint to us. He said Aviva hadn't answered his complaint about failing to carry out verification checks. He wanted us to do the following to resolve his complaint:

- Keep his complaint open until after the renewal date to see if the notification only incident would affect his renewal premium.
- For Aviva to remove the incident recording from the central database.
- To be given an assurance the recording of the incident will not impact on future premiums.

One of our Investigators didn't recommend the complaint should be upheld. He found Aviva had correctly recorded the incident in line with the policy and industry approach.

Mr R disagreed and asked for an ombudsman to decide on the case. He is unhappy with the way Aviva handled the offer of £50 after it replied to his complaint. Mr R says we haven't properly considered all of his complaints.

I asked Aviva to provide call recordings to show it had carried out verification checks when in contact with Mr R. And I asked Aviva to clarify its comment that the notification only incident would have no financial impact on Mr R.

Aviva didn't respond.

I issued a provisional decision on 12 November 2025. I thought Aviva hadn't been clear when explaining how the recording of the incident may impact on the premium Mr R pays in future. And Aviva hadn't shown it had carried out verification checks when it spoke with Mr R.

I intended to ask Aviva to pay Mr R £100 compensation for the distress and inconvenience caused by the above failings.

In response, Mr R accepted my provisional decision. He is concerned about the risk of incorrect information recorded in his name in future as he says Aviva didn't carry out verification checks.

Aviva didn't respond. So the case has been passed back to me to decide.

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 any new evidence, my final decision is on the same lines as my provisional decision. I explained to Mr R through our Investigator that we can only consider what has happened, not what might happen in the future.

Mr R isn't satisfied with the way Aviva dealt with his complaint. This service isn't able to look at every complaint brought to us. The rules under which we operate are set out by the regulator, the Financial Conduct Authority (FCA). These rules are found in the FCA Handbook and are known as the DISP rules.

Among other things, the rules set out what this service can and can't consider. They explain that this service can consider a complaint if it relates to an act or omission by a firm in carrying on one or more of the regulated or other covered activities, or any ancillary activities carried on by the firm in connection with them.

DISP 2.1.4G (3), says carrying on an activity includes; *'the manner in which a respondent has administered its business, provided that the business is an activity subject to the Financial Ombudsman Service's jurisdiction.'*

"Complaint handling" is not a regulated activity or other covered activity, or an ancillary activity. For this reason I am unable to make a finding on this part of Mr R's complaint.

I understand Mr R isn't satisfied with the way Aviva has administered the £50 offer it made to him, which he wanted Aviva to donate to a charity. I cannot look at this as it doesn't form part of his complaint which Aviva responded to in April 2025. If Mr R is unhappy, he can raise a new complaint with Aviva.

Mr R has asked this service to keep his complaint open until after the renewal date. I understand the renewal date has since passed. If Mr R is unhappy with the renewal premium, this is something he will need to first raise with Aviva.

It is industry standard for insurers to record incidents, even if they do not result in a claim, on a central database. This database has been in place for many years and used by insurers to check a customer's claims and incident history to help prevent fraud.

Mr R's policy with Aviva says the following:

"claims history

Under the conditions of your policy you must tell us about any insurance related incidents (such as fire, water damage, theft or an accident) whether or not they give rise to a claim. When you tell us about an incident we will pass information relating to it to a database."

As an incident did happen, Aviva has correctly recorded the incident on the central database. So it has treated Mr R fairly and as it would any other customer in the same circumstances. This means I find Aviva's recording of the incident to be reasonable.

Aviva wrote the following to Mr R in response to his complaint on 22 April 2025:

“It’s a process (recording the incident) we must follow and, whilst you feel this is going to impact you going forward, I can reassure you that it won’t, because it has been recorded as notification only.”

And in a follow up letter on the same day;

“You want confirmation that the entry on the CUE database won’t cause any repercussions. I can indeed reiterate that the incident has been recorded onto the CUE database as notification only. As such, there wouldn’t be any repercussions.”

I asked Aviva to clarify this statement. Insurers have different underwriting criteria depending on their appetite for risk. So they have different ratings which affects the price offered and these are subject to change. This is why we see a wide range in price on comparison websites for the same level of cover.

It may be that Aviva’s underwriting criteria means the notification only incident will not make a difference to the price it quotes Mr R. But this is not definitively correct for the rest of the market, should Mr R choose to be insured elsewhere in future. Some insurers apply a rating for a notification only incident. Some don’t.

An insurer’s underwriting criteria is commercially sensitive. It isn’t for us to tell an insurer what to charge for insurance as this is a commercial decision which we cannot interfere with. But I don’t think Aviva has been clear with Mr R here. I think Aviva can only make a statement that the incident will not impact his premium on behalf of Aviva, but not all insurers across the market.

I asked Aviva to provide a copy of call recordings to address Mr R’s complaint that it had failed to carry out security checks before speaking with him. Aviva hasn’t responded. So as I have no evidence to show Aviva acted reasonably here, I intend to uphold this complaint.

When things go wrong, we look at what the individual impact was and what a business did to put things right.

For failing to clearly explain the potential impact of the incident recording on future premiums, and failing to show it carried out security checks before dealing with Mr R, I think Aviva should pay Mr R compensation of £100 for the distress and inconvenience caused.

I appreciate that when Aviva offered to pay Mr R compensation of £50, he did not wish to accept it. And when contacting this service, Mr R said he did not want compensation, but for his complaint to be read and understood.

The recommended award is a way of recognising the impact Aviva’s failing has had on Mr R. I find an award of £100 fairly reflects the impact of Aviva’s failure to clearly explain the possible impact of the recording of the incident, and for failing to show it carried out proper checks when speaking with Mr R.

My final decision

My final decision is that I uphold this complaint in part. I require Aviva Insurance Limited to pay Mr R £100 compensation for the distress and inconvenience caused.

Aviva Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr R accepts 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 R how much it’s taken off. It should also give Mr R a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 30 December 2025.

Geraldine Newbold
Ombudsman