

The complaint

Mr C complains Aviva Insurance Limited (“Aviva”) delayed settling his claim on his motor insurance policy following an accident. He says the delay has caused him significant financial loss as it’s impacted the cost of other insurance renewals. Mr C doesn’t think the compensation Aviva’s offered to make up for the delay caused is enough.

All references to Aviva include its agents.

What happened

Mr C took out a motor insurance policy in August 2022. Around March 2023, he reported an accident during which a third-party vehicle went into the back of his car. Aviva says it submitted Mr C’s version of events to the third-party insurers a few days later and continued to await a response over the following months whilst intermittently chasing. After the third-party denied involvement in the incident in August 2023, Aviva’s notes say it warned the third-party of potential legal proceedings in October 2023, and around November 2023, it instructed solicitors to proceed with legal action. The following month it switched solicitors to a different firm.

The third-party continued to deny involvement in the incident so there was some back and forth between them and Aviva’s solicitors. The solicitor notes say they chased the third-party in February, June, August, September and October 2024. In-between the chasers, the notes show they were awaiting a reply.

Unhappy with the progress of the claim, at the end of 2024, Mr C raised a complaint. In its final response letter, Aviva accepted it had caused a delay and offered Mr C £500 to make up for the distress and inconvenience caused.

Mr C didn’t think this was enough to make up for the impact the delays had on him. In particular, he said the delay meant the claim remained open and significantly impacted the cost of his insurance renewals on a number of vehicles he had. Aviva told Mr C he could add that to the claim amount from the third-party. As the complaint wasn’t resolved at that stage, Mr C asked our service to look into things. He highlighted that the claim was still ongoing and he didn’t think the compensation offered was enough to make up for the ongoing delay.

Our Investigator didn’t uphold the complaint. He said there were occasions where things hadn’t progressed as they should’ve and he thought Aviva had caused unreasonable delays by not chasing the third-party enough. But he didn’t think Aviva was responsible for any delays its solicitors might’ve caused. So he thought the compensation it had already offered for the delays up until the solicitor was instructed was fair.

I asked Aviva for a full timeline of events up to the date the claim was settled. And I asked it to outline the actions its solicitors had taken. The solicitors said it requested a warrant from the court in November 2024 and from that point onwards, it was working in line with the court timetable. In May 2025, a full offer was received from the third-party in response to the claim and this was accepted and paid in June 2025.

I issued a provisional decision on this complaint in August 2025, I've included a copy below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Based on everything I've seen, I intend to uphold this complaint as I'm not currently satisfied Aviva's done enough to make up for what's gone wrong. I know Mr C will be very disappointed. I'll explain why.

I've considered the timelines and claim history I've been given by Aviva. This includes the timeline of actions its solicitors took from November 2023. And at the moment, I'm not satisfied it's moved this claim forward in a prompt and fair manner.

Aviva accepts it caused delays up to the date of its final response letter in December 2024. In particular it said it delayed chasing the third-party regarding liability and I can see from its internal notes and timeline, there were periods of time when it didn't proactively chase the third-party but instead awaited a response to previous correspondence.

Once Aviva's solicitors were instructed, I can see they were more proactive in chasing the third-party for liability, having done so around every two months. But by this time, the third-party had made it clear it didn't accept liability even after further information was provided to support Mr C's version of events. So I don't currently think it was reasonable to continue chasing and delay starting court action until November 2024 – nearly two years after the claim was made and only after Mr C raised a complaint.

I know Aviva's already agreed to pay Mr C £500 to make up for the delays up to the date of the final response letter. But considering the additional amount of time Mr C's claim has gone on, and that he's had to chase both Aviva and the solicitors for updates and to keep things moving – including raising a complaint, I don't currently think this is enough in this case. Instead, at the moment, I think Aviva should pay a total of £750 compensation – so an additional £250 on top of the £500 it's already offered/paid him.

I can see Aviva has previously directed Mr C to make a complaint to its solicitors for any delays they caused as it appears Aviva doesn't think it's responsible for them. But Aviva appointed the solicitor and the solicitor was acting for Aviva in carrying out the contract of insurance. So I currently agree with Mr C that Aviva is responsible for the actions of the solicitor and any delays it's caused which is why I've taken them into account when considering the appropriate redress in this case.

Mr C's also unhappy because while his claim remained open, it was recorded as a fault claim. Whilst that's not unusual, it's meant it's impacted the cost of his insurance renewals over around two years and I don't think that's fair.

It's not clear from the information I've been given, whether Mr C has been able to claim the additional amount back that he's had to pay for his insurance renewals from the third-party as part of his claim on this policy. But if he hasn't, I don't think he should be out of pocket because of the delays Aviva's caused.

As this complaint spans more than one policy year, I think it's likely the impacted policies would have already ended. So it'll likely be difficult for Mr C to ask his insurer to re-rate the policies he had with them at a higher price. Instead, I think Aviva should work out what it would've charged Mr C for the motor policies he renewed while this claim was open and recorded as a fault claim and what it would've charged if the claim was recorded as non-fault. It should then refund the difference between those two amounts to Mr C plus 8% interest. This is upon evidence from Mr C – for example, confirmation from his insurers – that he was charged a higher premium on each of his policies due to the open fault claim and hasn't received a refund on them already."

I asked both parties to make any further comments before I reached my final decision. Mr C initially thanked me for my decision and said he looks forward to hearing from Aviva. He later said in summary:

- He hasn't received any redress from Aviva to make up for the higher premiums he's had to pay for his insurance renewals.
- He has insurance policies for the insured vehicle in this case and three other vehicles. These have all been more expensive to renew due to the open claim with Aviva.

Aviva said it agreed to increase the compensation paid to a total of £750. But it didn't think the claim was ever recorded as a fault claim, instead it said it was always recorded as non-fault. So it didn't think there would have been any impact to Mr C's premiums.

I contacted Aviva to explain that even if the open claim wasn't recorded as 'fault' I thought it was possible that an open claim, whether recorded as fault or non-fault, would've impacted Mr C's premiums. So I'd planned to direct Aviva to calculate the difference Mr C would've been charged if he didn't have an open claim and/or he didn't have a fault claim recorded against him. And I asked for its comments before the deadline set. Aviva didn't reply.

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.

I've considered what both parties have said in response to my provisional decision and I see no reason to change my findings. So I uphold this complaint.

I appreciate Aviva has said it can't see that Mr C's claim was ever recorded as a fault claim but, from what I've seen in this case, this is the first time this is being raised. And in the call notes from August 2024 when Mr C told Aviva his insurer said there was a fault claim recorded, the call handler explained it was because there was an open claim and it had been recorded correctly as a fault until it's closed.

Whilst Aviva says there was no fault claim recorded – and presumably therefore it thinks it wouldn't have affected Mr C's policy renewals – it's not given me anything to support what it's said. So I think it should still recalculate Mr C's premiums to ensure he hasn't lost out as a result of the delay.

Putting things right

To put things right in this case, I direct Aviva to:

- Pay Mr C a total of £750 compensation. That should be made up of the £500 it's already offered him and an additional £250 to better reflect the distress and inconvenience he's been caused.
- Work out what it would've charged Mr C for the motor policies he renewed while this claim was open and/or recorded as a fault claim, and what it would've charged if the claim was closed and/or recorded as non-fault. It should then refund the difference between those two amounts to Mr C. This is upon evidence from Mr C – for example, confirmation from his insurers – that he was charged a higher premium on each of his policies due to the open claim and hasn't received a refund on them already.

- Aviva should add 8% interest to the above amount from the dates Mr C made the payments to the date of settlement. If Aviva considers that it's required by HM Revenue & Customs to take off income tax from the interest, it should tell Mr C how much it's taken off and give him a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs.

My final decision

For the reasons I've given, I uphold Mr C's complaint and direct Aviva Insurance Limited to put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 3 October 2025.

Nadya Neve
Ombudsman