

The complaint

Mrs J & Mr J complain that Aviva Insurance Limited (“Aviva”) cancelled their motor insurance policy.

What happened

Mrs J & Mr J had car insurance policies with Aviva. In June 2025 they contacted Aviva and asked to cancel a particular policy.

But Aviva cancelled the wrong policy. It wrote to Mrs J & Mr J and told them it had been cancelled. It refunded the premium on a pro-rata basis, less a cancellation fee.

When Mrs J and Mr J received the letter telling them the wrong policy had been cancelled, Mrs J called Aviva. She was on the call for up to two hours. Aviva accepted it had made an error. It said it would reinstate their policy and said it would indemnify them in the event that a claim arose for the short period of time they’d been without cover.

They complained to Aviva. It said it would pay them £250 compensation for their distress and inconvenience, and the £250 would include the refund of its £38 cancellation fee that had been deducted.

As they remained unhappy, they brought their complaint to this service. They ask for £500,000 compensation in respect of:

- [Possible claims against them for] Personal liability for damages and third party injury
- Potential legal and criminal consequences for uninsured driving
- Significant financial exposure
- Long term reputational and credit file damage

Our investigator looked into their complaint and thought it wouldn’t be upheld. He thought Aviva’s offer was fair. Mrs J & Mr J didn’t accept the view and asked that their case was reviewed by an ombudsman, so it’s been passed to me to make 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.

I’m sure the incorrect cancellation of their policy was a shocking event for Mrs J & Mr J. But, having reviewed the file, I think it’s fair I say that their inconvenience was relatively short-lived and involved a call to Aviva to rectify the situation. This call was lengthy, and Aviva’s notes also say that it didn’t need to have happened as Mrs J should have been offered a call back. I do, however, appreciate she would likely have preferred to stay on the line while the problem was resolved.

I can see that the problem was rectified swiftly by Aviva. It recognised it had made an error. It agreed to reinstate the policy at the previously agreed premium. And it agreed it would indemnify Mrs J & Mr J if anything arose that should have been covered by the policy.

Mrs J & Mr J have asked this service to consider that claims could have arisen against them while their policy wasn't active. But from the evidence I have, this didn't happen.

They've also said they could face criminal charges for driving without cover. But I can't see this happened either.

I do agree they had potentially significant financial exposure, but it's not the role of this service to consider what might have happened, but actually didn't. In any event, they have an agreement from Aviva to cover these financial exposures.

They've also talked about damage to their credit file. I can see Aviva has told them that the only records made would show their car had been sold or disposed of, which wouldn't affect their credit rating. I can see Mrs J & Mr J have talked about an impact on their credit score, but I've seen no information to show me that.

Mrs J & Mr J have asked for a significant level of compensation for potential problems arising from Aviva's error. I don't think their request is reasonable as those potential problems didn't arise and I'm not able to take into account theoretical issues or seek to punish Aviva for its error.

Looking at the file, Aviva's response was swift and, I think, fair. I don't doubt Mrs J & Mr J were caused distress and some inconvenience, but I think this was over a relatively short period of time. Taking everything into account, I think Aviva's offer of £250 compensation is fair and in line with this service's guidelines. So, I'm not going to ask it to increase that amount, and I'm not upholding this complaint.

My final decision

It's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J and Mr J to accept or reject my decision before 4 February 2026.

Richard Sowden
Ombudsman