

The complaint

Mr A and Miss P are unhappy with how Aviva Insurance Limited have handled their motor insurance claim.

Some of Mr A and Miss P's dissatisfaction relates to the actions of Aviva's appointed agents. As Aviva have accepted responsibility for the actions of their appointed agents, any reference to Aviva in my decision should be interpreted as covering the actions of their agents.

What happened

The background to this complaint is well known to Mr A, Miss P and Aviva. Rather than repeat in detail what's already known to both parties, in my decision I'll focus mainly on giving the reasons for reaching the outcome that I have.

Miss P had a motor insurance policy with Aviva. Mr A was a named driver on the policy. In May 2022, Mr A was driving the car and was hit from behind. Mr A and Miss P made a claim against the insurance policy. The claim was accepted, but the third-party insurer disputed liability.

In 2024, Miss P took out insurance on another car with a different insurer. Shortly afterwards, she was contacted by that insurer and informed that it'd been identified on the Claims and Underwriting Exchange ('CUE') database that she had been involved in an accident/claim (May 2022) that she hadn't declared when applying for the policy. That insurer said an additional premium was due as a result.

Mr A and Miss P made a complaint to Aviva. They said Aviva had failed to provide the protection and services they'd paid for, had incorrectly recorded details of the accident/claim on CUE, caused economic loss, increased insurance costs and emotional distress. Mr A and Miss P asked that Aviva refund their insurance premium paid, amended CUE and provided confirmation that the 2022 claim/accident wouldn't affect future premiums with other insurers.

Aviva didn't uphold the complaint and as Mr A and Miss P remained dissatisfied, they referred their complaint to our Service for an independent review. Our Investigator partially upheld the complaint. As neither party accepted the recommendations and the dispute remained unresolved, it was referred to me for a decision.

I recently sent both parties a copy of my provisional intended findings. As the deadline for responses has now passed, I've considered the complaint 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.

Our Service is an alternative, informal dispute resolution service. Although I may not address

every point raised as part of this complaint - I have considered them. This isn't intended as a discourtesy to either party – it simply reflects the informal nature of our Service.

Neither Mr A, Miss P or Aviva responded to my provisional decision. As no further comments or representations have been made, I find no fair or reasonable reason to change the findings as set out in my provisional decision.

The scope of my decision

It's not the role of our Service to determine liability following an accident. I have viewed the rear dashcam footage provided by Mr A and Miss P and can understand their frustration with how long this claim has taken to be resolved. But, it's also important to note that a claim being recorded as 'fault' doesn't mean that Mr A and Miss P were necessarily at fault for the accident. It simply means their insurer has either not resolved the claim or been unable to recover their claim outlay from a third party. More information can be found here:

<https://www.financial-ombudsman.org.uk/consumers/complaints-can-help/insurance/motor-insurance/fault-claims-no-claims-bonuses>

In my decision I won't be considering:

- the third-party insurer that disputed liability;
- the solicitor instructed by Aviva, except in their capacity when acting as an agent of Aviva;
- the third-party insurer that requested an additional premium from Miss P; or
- any personal injury claim made.

In response to our Investigator's assessment, Mr A and Miss P provided documents related to a civil claim against Aviva. To be clear, our Service is an informal alternative to the courts. If Mr A and Miss P are considering legal action, I'd encourage them to refer to this link before accepting or rejecting my decision <https://www.financial-ombudsman.org.uk/who-we-are/make-decisions>

"The ombudsman will issue their final decision to both parties in writing. You will then be asked to confirm by a specified date whether you accept or reject it. If you accept the ombudsman's final decision in the specified timeframe, the business has to do what the ombudsman has told them to do – it will be binding on the business. This might, for example, include making the business pay you compensation. And, **if you accept the final decision, it is unlikely you will be able to pursue the business in court for the same complaint.**"

How the claim was recorded

Aviva have explained that a combination of them seeking to recoup their claim outlay from the third-party insurer (who disputed liability), as well as a personal injury claim meant their total outlay wasn't recouped and they couldn't record the claim as 'non-fault' on the relevant external databases.

I'm satisfied Aviva's actions in appointing solicitors to take recovery action was fair. It's not unusual that the involvement of solicitors can add time. I'll return to this point later in the decision. I appreciate this has been very frustrating for Mr A and Miss P, particularly given the time that's passed, but Aviva haven't done anything wrong when not updating the claim

to be 'non-fault'.

In their final response letter Aviva told Mr A and Miss P:

"...the claim is showing as non-fault, and the No Claims Discount is allowed...our handler will chase recovering our outlay as [third party insurer] have not fully reimbursed."

As our Investigator has pointed out – this was incorrect information. As Aviva hadn't recovered their outlay by that point, the claim wasn't recorded as 'non-fault'. Given the third-party insurer had already provided evidence to Miss P that it had been recorded as 'fault', Aviva introduced avoidable annoyance, frustration and uncertainty when giving Mr A and Miss P incorrect information. Miss P hasn't provided any evidence that she sought to rely on the incorrect information and then suffered any detriment with another insurer as a result – which is fortunate. I'll outline what Aviva need to do to put things right later in the decision.

Miss P raised issue that Mr A was driving at the time of the accident, but the claim had been recorded in her name. Aviva have shown us CUE evidence that they've correctly recorded Mr A as the named driver, but the claim was made against the policy which is in Miss P's name. I'm satisfied this record is accurate. Miss P also had another previous claim in her own name.

Regardless of whether Miss P was driving or not, the 2022 claim was made under her policy and she'll have been required by other insurers to declare the accident. I won't be directing Aviva to reimburse Miss P for the additional premium her new insurer requested. In any case, how another insurer considers risk is beyond the scope of this decision.

The time taken by Aviva

As explained above, I'm satisfied Aviva's actions in appointing solicitors to make recovery action was fair. However, I'm not persuaded that Aviva did enough to move the claim forward, towards settlement after appointing solicitors. Our Service can only consider the actions of solicitors when acting as an agent of Aviva, when they are carrying out the contract of insurance or doing something ancillary to this. For balance, I acknowledge that legal involvement generally can slow down the claims resolution process. But here, Aviva haven't been able to show with supporting evidence that they meaningfully communicated with their solicitors to move the claim forward.

Generic update requests took place months apart. For example, in 2023, the evidence doesn't support that Admiral took any meaningful action to move the claim forward over an extended period of time. It appears the third party conceded liability in February 2024 - yet settlement afterwards took well over a year.

As above, it's not the role of our Service to determine liability, or to comment on the actions of solicitors (except in their capacity as an agent that Aviva are responsible for). However, questions must be asked of Aviva about their lack of proactiveness and urgency in the two years after they appointed solicitors - given the content of the dash camera footage Mr A and Miss P provided them with early in the claim process.

Our Investigator asked Aviva for more detailed information on the actions they'd taken, but the simply referred us back to the evidence already on file and failed to respond to my provisional decision. I find that Aviva's actions when handling this claim have caused further avoidable distress, inconvenience and frustration for Mr A and Miss P over an extended period. Our Investigator recommended a total compensation amount of £500 for both this issue and the conflicting information given to Mr A and Miss P about how the claim had been

recorded. I find that compensation value to be fair, reasonable and proportionate – relative to the impact on Mr A and Miss P.

Other points raised

Mr A and Miss P have referred to their policy excess. This is the first part of a claim that was payable for the claim to progress. If later, Aviva recover their claim outlay either through acceptance from the third-party insurer or a court ruling, Mr A and Miss P can speak to Aviva about refunding the policy excess paid.

Mr A has said he had to borrow money to fund the repair, incurring interest charges. It's my understanding that the repair was carried out under the contract of insurance and the policy excess was payable in order for the claim to progress.

I've noted the medical information from 2022 that Mr A and Miss P have provided. I'm sorry to hear of the impact of this accident, but I'm not considering a personal injury aspect or loss of earnings complaint in this decision.

Putting things right

Aviva Insurance Limited need to pay Mr A and Miss P a total of £500 compensation.

Aviva Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr A and Miss P accepts my final decision. If it pays later than this, it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8%* per annum simple.

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

My final decision

My final decision is that I partially uphold this complaint. Subject to Mr A and Miss P accepting the decision before the deadline below, I require Aviva Insurance Limited to follow my direction as set out under the heading '*Putting things right*'.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Miss P to accept or reject my decision before 30 October 2025.

Daniel O'Shea
Ombudsman