

The complaint

Mr G is unhappy with how Aviva Insurance Limited (Aviva) settled a claim on his car insurance policy.

What happened

Mr G was involved in a car accident and made a claim for the damage to his vehicle on his insurance policy, which was with Aviva.

Aviva accepted Mr G's claim and decided to write his car off – making it a total loss. Mr G didn't agree his vehicle was a total loss and requested a copy of the engineer's report that supported Aviva's decision. Aviva sent its report to Mr G after it had been redacted. Mr G was unhappy with the delay in this report being provided and the contents of the report.

Mr G told Aviva he wanted an independent assessment of his vehicle. Aviva gave Mr G three options to move forward– instruct an engineer for a second opinion, deem the vehicle a total loss and allow Mr G to retain the vehicle salvage, or let him take the car back and it would not deal with his claim. Aviva also said Mr G could use his chosen engineer for an inspection. Mr G didn't think the options provided were clear.

Mr G contacted Aviva a few days later for an update. Aviva said it was waiting for him to choose one of the options to progress his claim and it had sent him communication about this- but Mr G said he didn't receive it. So, Aviva decided to instruct a field engineer to carry out a second inspection of Mr G's vehicle. After reviewing the findings of the report Aviva maintained its total loss decision.

Mr G remained unhappy with Aviva's total loss decision, so Aviva decided to carry out a second inspection- after reviewing the inspection report, Aviva maintained its total loss decision to write off Mr G's car.

But Mr G was unhappy with the delay in Aviva sending him the report for this inspection too, and remained unhappy with its total loss decision, and that it said it wouldn't let him use his chosen engineer to inspect his vehicle- despite giving him that option. So, he complained to Aviva.

Aviva partially upheld Mr G's complaint and offered £350 compensation to acknowledge the distress and inconvenience it caused. Aviva said the options provided to Mr G weren't clear and the incorrect timeframe was provided in relation to how long it would take for the engineer's reports to be sent to him. Aviva also acknowledged that it had incorrectly told Mr G he could use his chosen engineer for an inspection. Aviva said it was happy the total loss decision was fair, so settled the claim by paying the market value for Mr G's vehicle. But because Mr G wanted to keep the car, it deducted an amount for that- the salvage. Aviva acknowledged that in its care, it caused further damage to Mr G's vehicle. So, it agreed to pay for the cost of repairing that damage- £360.

And it accepted that some further damage was caused to Mr G's car while in its care, so it agreed to pay for the cost of repairing the further damage caused to the rear of his car-

£360. But Aviva said the additional damage didn't affect its total loss valuation of the vehicle, so it maintained its decision to deem Mr G's vehicle a total loss was fair and offered Mr G a total loss settlement for his vehicle.

Mr G remained unhappy with Aviva's total loss decision, salvage deduction and the service it provided, so he brought his complaint to this Service. Our investigator didn't recommend that we uphold it. She thought Aviva had acted in line with the policy terms and conditions when settling Mr G's claim as a total loss, she also thought it was fair for Aviva to deduct the salvage value from the market value settlement for his vehicle. And the £350 compensation Aviva offered for its service was fair and reasonable.

As Mr G didn't agree with our investigator, the complaint has been passed to me to decide. He remained unhappy with Aviva's total loss decision and thought it should have repaired his vehicle, and paid for his car finance and insurance premiums between March and July 2025.

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.

Having done so, I'm satisfied that what Aviva has offered to put things right is fair. I'll now explain why.

Aviva's decision to write off Mr G's car

Mr G's policy with Aviva says when he makes a claim for damage Aviva will have the option to either repair the damage, replace what was lost or damaged, or cash settle the claim. This means it's Aviva's decision whether it wants to repair Mr G's vehicle, or whether it wants to write it off as a total loss. As the decision is Aviva's and not Mr G's, Aviva might make a decision that Mr G doesn't agree with, which is the case here.

Even though the decision on whether or not to repair Mr G's vehicle is ultimately Aviva's, it still needs to make sure its decision is fair and reasonable in the circumstances.

Aviva says in the policy the most it will pay on a claim is the market value of Mr G's car at the time of loss. It has shown the cost of the repairs made it uneconomical for it to carry them out.

I understand that Mr G doesn't agree with the engineer's evidence and would like a further independent inspection by his chosen engineer. But Aviva has shown the repairs needed to fix Mr G's vehicle and the costs that were factored into that decision. I'm satisfied this is sufficient to support its total loss decision. Therefore, based on this, I'm satisfied Aviva's total loss decision was reasonable.

Salvage cost

It is common industry practice in motor insurance that when a business settles a total loss claim under a motor insurance policy it retains the vehicle-the salvage. This means when Aviva settled the claim as a total loss, Mr G's vehicle became its property.

When a vehicle becomes Aviva's property, it will then usually pass the car to its salvage agent. That agent will usually pay Aviva to take the vehicle. This means that after paying Mr G the market value for the vehicle, Aviva will likely get some money back by effectively selling the car to its salvage agent.

Because Mr G decided to keep his car following it being written off, Aviva won't be able to recover that cost from its salvage agent. We don't consider it fair for an insurer to lose out because a consumer chooses to keep their car, so in such circumstances, we think it's fair to pass the cost it would've got from the salvage agent to the consumer.

In this case I've seen a quote from Aviva's salvage agent which shows Aviva would have received £1,500 for Mr G's car, which is just under 30% of the vehicle's market value. I'm satisfied Aviva is treating Mr G fairly by deducting £1,500 from the market value of the vehicle in order for Mr G to keep it, because this is what it would've received from its salvage agent.

Customer service

It's clear that Aviva didn't provide Mr G with the correct information about how long it would take for him to receive the engineer's reports. So Aviva didn't reasonably manage his expectations. I acknowledge this caused Mr G frustration, but I don't think it delayed the claims process because Mr G disputed Aviva's total loss decision. This meant that the claim would've naturally taken longer while these discussions took place. I don't think a wait time of up to 10 days is unreasonable, but I would expect Aviva to provide Mr G with the correct information about how long it would take for the reports to be sent, not doing so has set an expectation that wasn't, ever going to be met. And it appears Aviva exceeded this timeframe anyway. I don't think Aviva provided good service here, but this has been accepted by Aviva.

I've listened to the call where Aviva provided Mr G with three options to progress his claim. I don't find the information Aviva provided on the call was clear because a lot of information was provided at the time and although Aviva said follow up communication was sent, I haven't seen that it was.

But again, I don't find this caused a substantial delay to the claim because Mr G called Aviva to chase the matter a few days after and Aviva took action promptly and instructed a field engineer to carry out an inspection. I acknowledge that this would've caused distress and inconvenience for Mr G though because he was already unhappy with how the claim was going. And ultimately, Aviva should have set out the options much clearer. On this call Aviva incorrectly told Mr G that he could use his own engineer for an inspection. I would expect Aviva to provide the correct information about the options available to Mr G to progress this claim. Overall, I don't find the information Aviva provided on this call to be clear and accurate.

Mr G raised concerns about Aviva redacting the engineer's reports. I agree it was reasonable for Aviva to redact the reports. They contain sensitive information such as commercial arrangements on labour rates and parts costs. This isn't information we'd find an insurer reasonably needs to share with a policyholder. I've reviewed the reports and I'm satisfied Aviva's total loss decision was fair and reasonable for the reasons stated above.

Aviva offered Mr G £5,497. That was made up of the market value of Mr G's vehicle, minus £1,500 for the salvage and £150 policy excess. It then offered an additional £360 for damage caused to the salvage while in its care. These costs are not in dispute, but Mr G's preference was for his vehicle to be repaired rather than written off. Aviva has also offered Mr G £350 compensation for the service it provided to Mr G during the claim. I don't find that Aviva needs to take any further action to resolve this matter as I'm satisfied this is a fair resolution.

Ultimately, while I appreciate Mr G is unhappy with the decision, I'm satisfied Aviva has considered all the evidence provided before settling Mr G's claim as a total loss. Because of this I don't find Aviva should pay car insurance premiums or car finance to Mr G. Aviva was

entitled to settle the claim under the terms it saw fit. And I don't think Aviva's decision was unreasonable.

My final decision

For the reasons set out above, I'm satisfied Aviva failed Mr G. But I'm also satisfied what it's offered to put things right is enough.

Aviva has already made an offer to pay £350 to settle the complaint and pay for the additional repairs required to Mr G's vehicle and I think this offer is fair in all the circumstances.

So my final decision is that Aviva should pay Mr G the £350 compensation it has offered if it's not already done so. It should also pay £360 for the cost of the additional damage caused to his vehicle while in its care if this too hasn't already been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 November 2025.

Colleen Cousins
Ombudsman