

The complaint

Mr P complains about the way Aviva Insurance Limited (Aviva) dealt with a claim he made under his motor insurance policy.

What happened

In September 2024, Mr P was involved in a motor incident, so he made a claim under his motor policy. Mr P's car was repaired in a timely manner and his excess was refunded. But he was unhappy that the claim remained open whilst Aviva tried to recover its cost from the third party. Mr P complained about the time it was taking Aviva to finalise the claim and the impact the open claim was having on his premiums.

In its response to the complaint dated August 2025, Aviva said its liability investigation was still ongoing because the third party hadn't formally accepted fault. It explained that any claim can impact future premiums and once the claim is closed, Mr P may wish to speak with his new insurer to see if any adjustments can be made.

Mr P remained unhappy and referred his complaint to our Service. He said he wanted Aviva to follow through on its intention to take legal action against the third party. He also wanted to be reimbursed for his increased renewal premium and for the legal expenses policy he bought due to a lack of trust in insurers after this incident.

Our Investigator recommended Aviva pay Mr P £500 compensation to recognise the distress and inconvenience caused by its delays, the lack of proactive updates and the loss of expectation Mr P experienced when Aviva didn't initiate legal action like it said it would. But the Investigator didn't think Aviva should reimburse the increased renewal premium. She said if the claim is ultimately settled as non-fault, Mr P's new insurer would be able to recalculate the premium and reimburse any differences in the premium. She also didn't think Aviva should reimburse the cost of the legal cover Mr P decided to buy.

Both Aviva and Mr P accepted the Investigator's recommendation of £500 compensation. But Mr P said he wanted a binding decision to ensure Aviva cannot close his claim prematurely, cannot mark it as fault, and will continue to actively pursue the third party, including legal action if required. He said he won't accept any outcome of the claim that could be interpreted as placing fault or responsibility on him. So, the matter has been referred to me for review.

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.

Firstly, I'd like to explain that it isn't our Service's role to say who's at fault for causing an accident. This is the role of the courts. Our role is to look at whether Aviva has handled the claim promptly and fairly as required by the industry rules. Aviva is also required to provide its policyholder with appropriate information on the progress of their claim. So, I've kept this in mind while considering this complaint together with what I consider to be fair and

reasonable in all the circumstances.

I'm aware Mr P is concerned about the way this claim is ultimately settled and has said he won't accept any outcome which places him at fault for the accident. Mr P's policy, like most insurance policies, allows Aviva to take over, defend or settle a claim. This means Aviva has the ultimate and final say in how to settle a claim and it may reach a decision Mr P doesn't agree with. However, Aviva should exercise this right fairly and reasonably, taking into account all of the information provided by both parties about the claim.

At this stage, the liability aspect of Mr P's claim is ongoing, and so I'm not in a position to comment on how Aviva will settle the matter. If Mr P is unhappy with the way his claim is eventually settled by Aviva, he can look to raise this as a separate complaint.

In relation to the way Aviva has handled Mr P's claim up until it issued its final response, it appears it accepted, following our Investigator's view, that it caused some avoidable delays in progressing the claim and didn't keep Mr P updated as it should have. It also didn't manage his expectations appropriately about the actions it intended to take against the third party. Aviva has now agreed to pay Mr P £500 compensation to acknowledge the distress and inconvenience caused. So, I've considered whether I think this is reasonable to acknowledge the impact on Mr P.

When deciding what Aviva should do to put things right, any award or direction I make is intended to place Mr P back in the position he would have been, had Aviva acted fairly in the first place. I can see from Aviva's claim notes that it doesn't think Mr P was to blame for the accident. But Aviva hasn't been able to locate the third party insurer, so it has been reaching out to the third party instead. And it cannot close the claim as it hasn't yet been able to recover its outlay from the third party. I know Mr P expected Aviva to conclude matters before his renewal in August 2025 but I'm satisfied the reason the claim remains open is because the third party didn't engage with Aviva and this isn't something Aviva has control over.

Like the Investigator, I do think Aviva could have done more to ensure Mr P's claim progressed proactively and appropriately, to bring his claim to a conclusion. For example, Aviva hasn't been able to explain why it hasn't followed through with its intention to take legal action against the third party despite sending them a couple of letters saying it would do so if it failed to cover its outlay. However, I still have to think about what is most likely to have happened if Aviva had acted as I would've expected it to. And I think that even if Aviva had pursued legal action when it said it would, it's unlikely the matter would've been settled in time for Mr P's renewal as Aviva would've had no control over the court proceedings timescales.

I'm unable to speculate on whether litigation would be successful and so, there is no guarantee Aviva will ever be able to recover its costs which would allow it to close the claim in favour of Mr P. But going forward, I'd expect Aviva to take reasonable steps to recover its costs and as part of this, take reasonable and timely steps to bring the claim to a conclusion, considering how long the claim has taken already.

I'm not persuaded it would be reasonable to require Aviva reimburse Mr P for the legal expenses cover he has since purchased. It was Mr P's decision to purchase the extra cover he is now receiving.

Taking into consideration the distress and inconvenience it has caused, I think the fair and reasonable thing to do is for Aviva to pay Mr P £500 by way of compensation for the poor service, communication, and delay. I know this will come as a disappointment to Mr P as he just wants the claim finalised in his favour and the open claim is impacting his premiums.

However, as I've explained, liability is ongoing and there's no guarantee of how the claim will ultimately be settled.

My final decision

I uphold this complaint in part. I require Aviva Insurance Limited to pay Mr P £500 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 17 March 2026.

Linda Tare
Ombudsman