

## **The complaint**

Mr H complains Aviva Insurance Limited settled a claim on his motor insurance policy, holding him at fault, without notifying him.

## **What happened**

Mr H was involved in a collision with a third party in January 2024. Mr H notified Aviva of the incident but didn't make a claim for any damage to his vehicle.

Mr H says he changed his vehicle after the collision, and then again in 2025. When trying to insure his new vehicle, he says he found insurers either wouldn't offer a policy or would quote high premiums. Mr H says one insurance company told him he had a mark against his name.

Mr H contacted Aviva, he says it told him it had received a claim from the third party in January 2025, which it had settled, holding Mr H at fault. Mr H complained, he wanted the claim wiped from his record. Aviva said it couldn't remove the claim as the police report held him liable for the incident. But it accepted it should have told Mr H about the claim and offered £120 compensation for not doing so.

Unsatisfied with that response Mr H referred his complaint to the Financial Ombudsman Service. Our Investigator agreed that Aviva should have let Mr H know about the claim made by the third party. But she didn't think Aviva had acted unreasonably in settling it and holding Mr H at fault, given the police report. She thought the compensation offered was reasonable for the unnecessary upset caused by Aviva not telling him about the claim.

Mr H didn't accept that and asked for an Ombudsman to consider matters. He said his premiums had gone up, and he was unknowingly, for a while, effectively driving without valid insurance given the claim was active and he hadn't declared it to his insurer.

As the matter hasn't been resolved, it has come to me to decide.

## **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.

As this is an informal Service, I haven't addressed all points made by the parties. Instead, I've focussed on the key reasons for reaching the outcome that I have.

This Service doesn't decide who's at fault for an incident. That's the role of the courts. Instead, we look at whether the insurer acted in line with the policy terms and made a fair and reasonable decision. Mr H's policy terms allow Aviva to defend or settle any claim on his behalf. That means it might make a decision he disagrees with, but the policy allows it to do so.

I can consider if Aviva's decision to settle the claim, holding Mr H at fault, was reasonable. It said it did so because the third-party insurer provided it with the police report from the incident which said the third party had stopped and Mr H skidded on mud as he attempted to brake, colliding with third party. It said this showed the collision happened because of Mr H.

Aviva's notes say that when considering the highway code, in particular on single track roads, the code says a driver should give way to a vehicle driving uphill wherever possible. In this scenario Mr H had said he was coming down the hill, with the third party driving uphill towards him. As such Aviva says it was his responsibility to give way to the third party. It also said there was another highway code which said extra care should be taken on country roads to reduce speed to account for various things, including an upcoming bend (which Mr H had said there was) and mud on the road.

Mr H is noted in the police report as skidding on mud. So, I can see, based on the police report and the relevant sections of the highway code, why Aviva didn't think it was reasonable to defend the claim, given it would be difficult for Mr H to show he'd sufficiently reduced his speed to account for mud on the road. And that it was his responsibility to give way to the third party.

As such, I find it was reasonable that Aviva, having received that report, held Mr H at fault for the incident. There weren't any other witnesses in the vehicles who could have provided any meaningful information, nor any mention of CCTV footage available given the location of the incident.

Given I think Aviva settled the claim reasonably, it wouldn't be reasonable for me to ask Aviva to remove the claim from Mr H's record. I know having a fault claim will impact his premiums going forward, but that is because of the incident, not because of any failure of Aviva. And so I can't ask it to make any award in this respect.

However, Aviva should have told Mr H about the claim being made against him. It is important information for him to know, and it has failed him in not informing him of the claim.

I know Mr H thinks it was more of a 50/50, with no one really being at "fault". And that Aviva didn't give him chance to defend himself. But it might help him to know that, even if the insurer had settled the claim as 50/50 liability – it said both he and the third party were equally responsible for the collision – Mr H would still have a 'fault' claim registered on his policy. This is because a fault claim is registered when an insurer can't recover its full outlay on a claim.

Aviva has offered £120 compensation for the upset caused in not telling Mr H about the claim, I consider that to be fair and reasonable in the circumstances. It was no doubt a shock to be declined insurance and a worry to realise he hadn't previously declared an open claim. But I'm not going to ask Aviva to pay compensation for the period Mr H says he was driving with invalid insurance. This Service doesn't make awards for things that might have – but didn't – happen. So whilst Mr H could have found himself in a challenging position had he needed to make a new claim, that didn't happen. As such, I'm satisfied £120 reasonably makes up for the upset Aviva caused him.

### **My final decision**

My final decision is that Aviva Insurance Plc has already made an offer to pay £120 to settle the complaint and I think this offer is fair in all the circumstances. So, my final decision is that Aviva insurance Plc needs to pay Mr H £120.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 December 2025.

Michelle Henderson  
**Ombudsman**