

## **The complaint**

Mrs B complains about how Aviva Protection UK Limited ('Aviva') calculated claim payments under her income protection insurance policy.

Mrs B's complaint has been brought to us by her representative. All references to Mrs B's submissions include those of her representative.

## **What happened**

Mrs B was receiving claim payments under an income protection insurance policy, which is now underwritten by Aviva.

Mrs B complained because Aviva said it would be deducting periods of holiday from her claim payments. Aviva said it paid claims based on the capability of the policyholder rather than their availability, and that it would cover a holiday period in November 2024 as a gesture of goodwill, but future holidays wouldn't be paid for.

Unhappy, Mrs B brought the matter to the attention of our Service. One of our Investigators looked into what had happened and recommended that Aviva should recalculate Mrs B's claim payments and pay her any shortfall together with interest, as well as £300 compensation for the distress and inconvenience she experienced.

Aviva accepted our Investigator's opinion and provided calculations adjusted for Mrs B's holiday pay, showing Mrs B had been underpaid by a total of £2,902.82. As no resolution was reached, the complaint has now been referred to me to make a decision as the final stage in our process.

## **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 understand Mrs B's claim has since been terminated by Aviva. This is the subject of a new complaint with our Service. When making this final decision, I can only comment on Aviva's calculation of the benefits while the claim was in payment.

The background to this complaint is well-known to both parties, so I've only set out a brief summary of what happened. I've carefully thought about all the information that has been provided but I'll only be addressing what I consider to be the key issues. This isn't intended as any discourtesy to the parties but, instead, reflects the informal nature of our Service as an alternative to the civil courts.

Industry rules set out by the regulator say insurers must handle claims fairly. I've taken these rules, alongside other relevant considerations, into account when reaching an independent and impartial outcome which I think is fair and reasonable to both parties in the circumstances.

I'm not making any findings about how Aviva originally calculated the claim payments, as it's

not necessary for me to do so. Aviva has now accepted it didn't treat Mrs B's holiday periods as it should have and has provided calculations showing it would have paid Mrs B a total of £2,902.82 more overall if it had treated her holiday periods differently.

Aviva didn't fail to pay claims to Mrs B for any periods of holiday. So, Mrs B has had no financial loss in respect of the eight and a half weeks of holiday she says she lost out on. There simply aren't any reasonable grounds upon which I could fairly direct Aviva to pay Mrs B what she has calculated as over £8,000 for these weeks – Mrs B has already been paid for these weeks.

However, I accept Aviva's statement that it wouldn't pay Mrs B for holidays may have influenced her decision to continue working instead of taking holidays. So, I think it would be fair and reasonable in the circumstances for Aviva to also pay compensation to Mrs B for the impact of this.

When considering what level of compensation I think is appropriate, I've taken into account the circumstances of Mrs B's complaint as a whole. These include but are not limited to Mrs B's working pattern and the length of time involved, as well as the fact that the decision not to take holidays was ultimately made by Mrs B. I've also had regard to our published guidance on the payment of compensation for distress and inconvenience. I should point out that I have no power to seek to punish or fine a business through a compensation award.

Taking into account the circumstances of the complaint as a whole based on the information I've been provided with, I'm satisfied that a payment of £2,902.82 by Aviva (together with the interest our Investigator recommended) and a payment of £300 compensation is a fair and reasonable resolution to Mrs B's complaint in the circumstances.

### **Putting things right**

Aviva Protection UK Limited must put things right and do the following:

- pay Mrs B £2,902.82 together with interest at 8% simple per annum from the date of each underpayment until the date the settlement is paid:
- pay Mrs B £300 compensation for the distress and inconvenience she experienced.

Aviva Protection UK Limited must pay the compensation within 28 days of the date on which we tell it Mrs B 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% a year simple<sup>1</sup>.

### **My final decision**

I'm upholding Mrs B's complaint about Aviva Protection UK Limited, and I direct it to put things right in the way I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 6 March 2026.

Leah Nagle  
**Ombudsman**

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<sup>1</sup> If Aviva Protection UK Limited considers that it's required by HM Revenue & Customs to deduct income tax from the interest awards in this case, it should tell Mrs B how much it has taken off. It should also give Mrs B a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

