

## **complaint**

Mr K complains about Aviva Insurance Limited's handling of a claim he made on his motor insurance policy and that his car was wrongly written off.

## **background**

Mr K was involved in an incident. He made a claim on his policy with Aviva. It incorrectly wrote off his car and didn't subsequently update the HPI record. Mr K says that as a result he missed out on the chance of selling his car and he's been caused inconvenience. Aviva also wrongly sent him a cheque.

Our adjudicator recommended that this complaint should be upheld. In summary he considered that:

- Mr K has lost out on the opportunity to sell his car because of Aviva's mistake. Mr K has shown that he had an interested buyer for his car in January 2015. An offer was made. But this buyer didn't go ahead because of the results of an HPI check he carried out.
- The fairest resolution of this complaint is for Aviva to pay Mr K the market value of his car in January 2015. The motor trade guides say a similar car was worth an average of £5,002.50.
- Aviva should pay Mr K £400 compensation for the distress and inconvenience it's caused him.

Aviva doesn't totally agree. It says the difference between Mr K's car's market value in January 2015 and now is £360. But Mr K can still buy another similar standard of car now as all car prices have dropped in that period. Aviva is still only prepared to pay Mr K £400 compensation. That's its final offer.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Aviva has made mistakes in handling Mr K's claim. It wrongly wrote off his car and didn't update the HPI record. I think as a result Mr K lost the opportunity to sell his car in January 2015. The prospective buyer says he withdrew because of the unsatisfactory results of an HPI search he carried out.

I therefore agree with the adjudicator that it's a reasonable resolution of this complaint for Aviva to acquire Mr K's car by paying him its market value in January 2015. We don't provide a precise valuation of a car. But I note the prospective buyer offered £5,000. In addition an average valuation for a similar car in the motor trade guides at that time suggests a value of £5,002.50. So, I think that a valuation of £5,000 is fair and reasonable.

Mr K has confirmed to the adjudicator that he still hasn't sold the car. He has also previously said that he wants compensating for the car's loss of value between January 2015 and now. Aviva says that the fact that the car's value has reduced in that period isn't relevant. All cars have lost value in that time so Mr K can still use the money he gets to buy another comparable one.

That may well be true. But Mr K isn't bound to use all or part of the money he gets on the sale of his car on buying another one. He can spend it how and on what he wishes. The simple fact remains that he has been deprived of his money by not being able to sell the car in mid January 2015. I think on balance that the sale was likely to have been completed by 15 January 2015 had it not been for the unsatisfactory HPI check result.

So, to fully put Mr K back in the position he would've been in if the sale had gone ahead then, I think that if Mr K agrees to Aviva acquiring his car it should also pay him simple interest on the £5000 at the rate of 8% a year from 15 January 2015 to the date of settlement.

If Mr K accepts my final decision and decides he wants Aviva to acquire his car for £5,000 and pay him interest as set out above he will of course have to provide the car, its keys, registration documents and other necessary paperwork to Aviva.

Mr K has also clearly been caused upset and inconvenience by Aviva's mistakes and handling of matters. I agree that £400 compensation for this is fair. This compensation will be payable whether or not Mr K chooses to agree to Aviva acquiring his car.

#### **my final decision**

For the reasons I've discussed above my decision is that I uphold this complaint and I require Aviva Insurance Limited:

1. To pay Mr K £400 compensation; and
2. If Mr K wishes it to do so, to acquire his car by paying him £5,000 together with simple interest on this sum at the rate of 8% a year from 15 January 2015 to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 10 August 2015.

Stephen Cooper  
**ombudsman**