

## **complaint**

Mr E complains that Aviva Insurance Limited didn't let him know when it closed the file on a claim that had been made against him under his car insurance policy. He says, as a result, he spent £6,000 more than he should have done on car insurance over a three year period.

## **background**

In January 2013, another driver reported he'd been involved in a collision with Mr E's car and that the accident was Mr E's fault. Mr E denied he'd been involved in an accident. In February 2013 he took out a policy with another insurer. He told his new insurer that he didn't have a no claims discount (NCD). He started from scratch in building up a new NCD. In December 2013 Aviva closed its file on the claim, after the other driver failed to respond to correspondence.

Aviva accepts it should have told Mr E it had closed the file on the claim. It has agreed to pay him £250 for the trouble and upset this error has caused. But it won't pay him the £6,000 he says he paid on higher car insurance premiums, without proof that he did so.

## **my findings**

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

When Mr E took out new car insurance in February 2013 he should have had an NCD of three years. He hasn't had any accidents since then, so his NCD should have increased each year from that starting point.

Mr E has sent us copies of his bank statements for the period. These show regular payments going out to the various insurers he had policies with over the period in question. Unfortunately this does little more than show the amount Mr E was paying for car insurance and the fact that he was the person responsible for making these payments.

I also note that the payments total a much lower figure than £6,000. In any event the most Mr E would be entitled to is the difference between the actual cost of each policy and what they would have been, had that additional three years NCD been taken into account.

The adjudicator contacted the insurers that Mr E had had policies with between 2013 and 2016. Although they were able to confirm in broad terms that the policy probably would have been cheaper if he had had an existing NCD of three years in 2013, none of them has been able to provide a proper breakdown of the figures.

The matter is also complicated because it appears that Mr E simply told the insurer he went to in 2013 that he didn't have an NCD, without mentioning there was at that time an open claim under his previous policy. It may be that, since Mr E was adamant that he hadn't been involved in an accident, he didn't think he needed to tell his new insurer(s) about it. But if that was the situation, knowing there was a claim pending, it's not clear why he didn't follow this up with Aviva in the hope of restoring his NCD.

There is no doubt that Aviva should have told Mr E when the claim was closed. Without any clear evidence of financial loss, I think the complaint can only be settled on the basis of the upset and inconvenience he suffered as a result. I do think that Mr E has suffered

considerable and understandable frustration, following his realisation that he could have been paying lower car insurance premiums for a considerable period of time. Taking this into account, I think Aviva should pay Mr E £300 to compensate him for the upset caused.

**my final decision**

I uphold the complaint in part and require Aviva Insurance Limited to pay Mr E £300 for the trouble and upset he has suffered, as a result of its failure to tell him the outcome of the January 2013 claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 30 January 2017.

Melanie McDonald  
**ombudsman**