

complaint

Mrs H complains that Aviva Insurance Limited provided her with very poor service when she made a claim on her motor insurance policy following an accident.

background

Mrs H reported the accident on 1 June 2015. Aviva told Mrs H she'd be held liable for the incident. It thought she was manoeuvring when a foreign truck hit her car and pushed it along a slip road onto a motorway. Aviva said it would be hard to trace the foreign registration plate. Aviva didn't try to contact the third party until almost five months later. Meanwhile, Mrs H traced the third party and used her legal cover to make a personal injury claim. Aviva finally pursued a claim against the third party and got back its outlay. It changed the records to show the accident as non-fault, but the whole process took well over a year.

Mrs H was unhappy with Aviva's handling of the claim and the lack of support she got from it as well as with the delay. Aviva apologised. It offered Mrs H £275 compensation for the service issues and the delays. She thought the offer was insulting.

Our investigator negotiated a rise in the compensation to £400 in total. Mrs H thought only a sum large enough to alarm Aviva's senior management was acceptable. The investigator explained that we don't punish businesses. He said only the Financial Conduct Authority ("FCA") is able to fine them for conduct issues.

As Mrs H wasn't happy with the investigator's view, she asked for a review of the complaint by an ombudsman.

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's accepted it handled Mrs H's claim badly. It agrees there was an avoidable delay in passing the claim to the right team. It later said it should have spoken to the third party insurer before discussing with Mrs H who was finally at fault for the accident. It said feedback had been given to staff. It apologised for the lack of promised contact from them, as well as for the quality of calls. But it didn't accept its initial advice about Mrs H being at fault for the accident was wrong. It said regardless of blame, it had to record a fault incident on the Central Underwriting Exchange ("CUE") database. But after reviewing its initial offer with the investigator, Aviva agreed to raise it to £400. That offer remains open.

I think Mrs H must have been very upset already when she reported the incident, given what had happened to her. She says Aviva's advisor was supportive at first, but then said Mrs H was likely to be held at fault. I can see why Mrs H would have been shocked by that at the time. But I don't think that statement was wrong. In the circumstances as described, an insurer would generally regard a consumer as at fault (even if not to blame for an accident). That's what would be recorded on CUE. The situation would only change when the insurer had enough information to allow it to recover any outlay.

It seems the way the information was given to Mrs H wasn't helpful, so she was even more upset than she otherwise might have been. Not getting the promised call from Aviva later only made things worse. I think the delay in moving the claim on, and acting on the third

party information Mrs H gave it, was a major failing on Aviva's part. It looks as though it took far too long to finalise the claim because of the delays.

I don't think there's any doubt Mrs H is due compensation for the upset Aviva's actions caused her. I can see why she wants a high award, because Mrs H thinks that's the only way to get through to Aviva how great she thinks its errors were. But I think the investigator was right to point out that it isn't our role to fine or punish businesses. We look at what impact an insurer's errors had and to what extent it's tried to put things right.

In this case, Aviva covered the claim. It later changed the record on CUE to show Mrs H wasn't at fault for the accident. Her no claims discount was re-instated. Aviva's undertaken to repay Mrs H any excess premium it charged before the record was changed. I think that's fair. Mrs H's uninsured losses were dealt with under her legal cover. The compensation that's been agreed is meant to show Aviva accepts it caused Mrs H distress and inconvenience. Aviva agrees it should have given her more support. In particular, Mrs H shouldn't have had to have to trace the third party's details or prompt Aviva to take action. All of that must have been very frustrating for her.

I think Aviva's first offer was low, but in my view the increased offer's adequate to reflect the impact on her of the service issues she's raised. It isn't far out of line with the sum I'd have suggested had Aviva withdrawn its offer. Mrs H clearly wants Aviva to make changes to the way it operates as well, but that isn't something we can require it to do. The FCA's the industry regulator and only it can look into an insurer's general procedures and conduct.

my final decision

My final decision is that Aviva Insurance Limited should settle this complaint, as it's already agreed to do, by paying Mrs H £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 10 October 2016.

Susan Ewins
ombudsman