

The complaint

Mr D has complained about Aviva Insurance Limited's handling of a claim under his car insurance policy.

Aviva has been represented on the claim by its agents. For simplicity, at points, I've referred to the actions of Aviva's agents as being its own.

What happened

Mr D's wife was a named driver on his car insurance policy. In February 2024, she was involved in an accident and a claim was made to Aviva, for damage to Mr D's car.

Aviva initially decided to repair Mr D's car. There were delays in receiving parts, but once they arrived, and on further inspection, Aviva made the decision to write off Mr D's car.

Mr D made a number of complaints to Aviva. This included complaints about delays in the initial collection of his car, the provision of a courtesy car, overall delays and poor communication. He was unhappy with Aviva's initial decision to repair the car and said its actions had a significant impact on his family and his wife's mental health.

Aviva issued a number of responses. It accepted there were delays in inspecting the car, in providing a courtesy car and in estimating repair costs. But it said the delay in starting repairs were due to supply chain issues with the parts needed. Aviva said this was outside its control. Aviva offered Mr D £775 compensation in total.

Mr D referred his complaint to the Financial Ombudsman Service. He was unhappy with delays on the claim and the courtesy car Aviva provided. After Aviva wrote his car off, Mr D said his main complaint was about Aviva's delay in writing off his car, and its initial decision to repair the car.

The Investigator didn't uphold the complaint. They said Aviva provided a courtesy car in line with the policy terms, and its initial decision to repair the car was fair. They didn't think the impact on Mr D's wife was solely due to Aviva's actions and they said the total £775 Aviva offered was fair.

Mr D didn't agree. He felt Aviva shouldn't have deemed his car repairable. He felt this caused unnecessary stress, inconvenience and financial strain.

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.

Mr D said his main complaint was about Aviva's initial decision to repair the car, so I've considered this first.

Repair decision

The terms of Mr D's policy allow Aviva to make the decision to repair his car. But I've reviewed the information to see if Aviva applied this fairly.

I've seen evidence of Aviva's repair estimate from around April 2024, including photos of the damage. The estimate at that time was £5,771.20. Having reviewed the information, I'm not persuaded Aviva should have known the repair estimate was incorrect, or that the car was likely to be written off. I say this because the repair estimate seems reasonable based on the photos of the damage. And I've not seen enough evidence to persuade me Aviva ought to have known then, there was likely further damage, not included in the estimate. So, I don't think Aviva was required to strip the car down further at that point.

Insurers often consider a car uneconomical to repair, or a total loss, when costs reach around 60-70% of its pre-loss market value. Aviva settled Mr D's claim based on a pre-loss market value of £18,710. On this amount, 60-70% would be around £11,226-£13,097. So I don't think Aviva's decision to proceed with repairs, based on the initial estimate, was unfair.

I can see there were delays in Aviva receiving the parts needed. Aviva says the delay was due to supply chain issues and difficulty in getting parts shipped, which were outside its control. I've no reason to doubt that explanation.

After Aviva received the parts, a different garage stripped the car to begin repairs. It was at this point, in around June 2024, that additional repairs were identified, and a new repair estimate of over £16,000 was provided. Aviva then made the decision to write off Mr D's car, which I think was fair, at that point, for the reasons outlined above.

Courtesy car

Mr D said the courtesy car he was provided was small and uncomfortable for use on longer journeys, so he was unable to take part in some of the holidays he had planned.

The terms of his policy say a courtesy car is not intended to be an exact replacement and is typically a small car. So, I don't think Aviva did anything wrong by giving him a smaller car.

Financial loss

Mr D said Aviva's actions impacted on his business and his ability to carry out work. He hasn't provided further evidence in support of this, but I've reviewed his policy and I can see it provided cover for social, domestic and pleasure purposes only. And it didn't include cover for business use or use in connection with any occupation. I'm also conscious Mr D's policy documents say he had use of other vehicles. So overall, I don't think it's fair to direct Aviva to compensate him for any impact on his business or work.

Non-financial loss

Aviva accepts it provided poor service under the claim, and there were delays. It accepts there were delays in sending the car to the repairer, in inspecting the car and in providing a courtesy car. So I think there were a number of errors by Aviva that likely caused Mr D and his wife distress, inconvenience and disappointment.

In addition to the above, I've seen evidence of contradictory information provided by Aviva on the delivery of parts and on the car being moved to another repairer location. I think this would have caused Mr D unnecessary confusion, and avoidable distress and inconvenience.

Mr D said Aviva's actions impacted on his wife's mental health. But given she was involved in the accident that took place, I'm conscious this is likely down to the nature of the accident

and the direct impact of this. I accept Aviva's actions would have compounded the impact of this, but I don't think the total £775 compensation Aviva offered is unfair in the circumstances. So, I won't direct Aviva to pay more. Part of this includes £250 that Aviva offered in July 2024, and Mr D can contact Aviva directly if he wishes to accept this payment.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 20 December 2024.

Monjur Alam
Ombudsman