

The complaint

Mr C has complained about the standard of repairs carried out when he made a claim under his car insurance policy to Aviva Insurance Limited. Mr C has also complained about the service he has received and the depreciation of the car.

What happened

In January 2022 Mr C made a claim for damage to his car after a collision with another vehicle.

Aviva arranged for the car to be repaired by an approved repairer (AR). Mr C's car was returned to the AR four times and he remained unhappy with the repairs.

Mr C's car remained undriveable and during this time, had use of a replacement car through a car hire company arranged by Aviva. Aviva arranged for an independent inspection of the car and agreed rectification repairs. It agreed for Mr C to obtain an estimate for the rectification repairs.

Aviva didn't agree that all of the estimate was reasonable and so it decided to settle the complaint by offering a cash in lieu (CIL) payment

Mr C raised a series of complaints with Aviva. In summary he complained about the number of times his car had to be returned for repairs and remained in a worse position to the one before the incident. He said he'd agreed a sale of the car before the incident and had lost £8,000 in depreciation due to the time taken to get the car repaired. Mr C said he and his family had experienced harassment from the car hire company and his wife had incurred loss of earnings for the days taken off work for assessments, collection and delivery including failed appointments, and days when they were not insured to drive the hire car.

Mr C complained about the overall distress and inconvenience caused over a period of 11 months trying to resolve the issue with repairs.

In response, Aviva agreed that the car shouldn't be returned to the AR for further work and offered a total of £750 compensation for the distress and inconvenience caused.

As Mr C didn't agree the CIL offer was reasonable to get the car repaired, he wanted Aviva to arrange them with an alternative garage. To resolve the complaint, Aviva made arrangements for the rectification repairs to be done by an alternative garage.

Mr C raised a new complaint about the most recent set of repairs. He said the alternative garage had caused new damage. Before the car had the most recent set of repairs carried out, it wasn't driveable. But although unhappy with these repairs, Mr C's car was now driveable.

Aviva said it would no longer agree to extend the car hire and said the claim for new damage was pre-existing damage. Our Investigator recommended Mr C take photos of the alleged new damage and collect his car as it was driveable.

Our Investigator found the most recent estimate provided by Mr C to have rectification repairs carried out was extraordinary. She recommended Mr C selects an independent engineer for Aviva to appoint, at Aviva's cost, in order that the independent engineer can

assess the car and the most recent estimate to conclude a fair and reasonable repair cost and also to make a decision in respect of the trim paint which remains in dispute between Aviva and Mr C. The Investigator recommended Aviva then pay Mr C a CIL settlement as per the independent engineer's recommendations.

Having checked the motor trade guides for the time it has taken to carry out repairs, the Investigator found the depreciation was minor and that the evidence provided by Mr C didn't show he was going to sell the car for the price he said immediately before the incident.

The Investigator carefully considered the impact of the hire car company's contact with Mr C and his family, including their young children when visits to the home occurred for delivery and collection of the hire car. She recommended Aviva pay an additional £500 compensation to reflect the distress and inconvenience caused here.

The Investigator accepted that there were numerous times when Mr C and his wife had to be available at home during the claim for delivery and collection of a hire car. Mr C says his wife lost earnings of £600 as a result of the lost days. The Investigator thought the overall compensation award Aviva had given fairly represented the distress and inconvenience caused. And while the Investigator agreed there had been substantial delays and failings in the dealing of the claim by Aviva, she thought the compensation of £750 (with the additional £500 she recommended) was overall fair and reasonable.

Aviva accepted the Investigator's recommendations.

Mr C didn't agree. He believes it is reasonable for Aviva to accept the most recent estimate from a dealership garage and arrange the repairs at a garage of his choosing, in light of the problems with previous repairs. The only other independent assessment they would be happy with is by another equivalent dealership garage.

Even if the depreciation is minor, Mr C doesn't see why he should incur any loss on depreciation as he had an agreed sale. He says it isn't his fault Aviva failed to properly repair his car in a timely manner.

Mr C says the recommended award of a further £500 is insufficient to reflect the upset and worry caused to his family over the past year.

They have lost thousands of pounds due to loss of earnings for the time taken off work to collect the car, for assessments, for delivery and collection of a hire car.

It isn't fair for them to give up any more of their time to have the car assessed again.

In June 2023 Mr C raised a new complaint about hire car. Our Investigator passed this to Aviva to consider. This doesn't form part of my decision.

As Mr C doesn't agree, the case has been passed to me to decide.

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.

The Investigator set out a detailed timeline of events in her views dated 13 and 29 May 2023. So I don't intend to repeat it again here, but I can assure Mr C that I have carefully considered everything they have said and provided.

I think it's clear that Aviva's handling of the repairs was extremely poor and this led to avoidable delays and disruption for far longer than necessary.

As things stand, Aviva has offered to pay a total of £1,250 compensation for the distress and inconvenience caused.

The estimate Mr C has provided is for over £8,500 to rectify the damage being claimed for. I appreciate that Mr C wants the estimate to be approved by Aviva and believes this is reasonable. But I agree with the Investigator that this is an extraordinary amount for additional damage Mr C says the most recent garage caused. So I think the fairest outcome is in line with the Investigator's recommendations. I appreciate this involves further time and inconvenience for Mr C. But Aviva doesn't agree that the rectification repairs being claimed for are reasonable - and so I think this is the fairest outcome to reach here.

The remaining issue is whether the compensation Aviva has paid is fair and enough to put things right.

The awards which we give are modest - and it is to be expected that there will be some disruption and inconvenience involved when making a claim, to arrange for repairs, and for delivery and collection of a hire car. But in this case it's clear that Aviva's failings meant the disruption to Mr C and his family went far beyond what would be considered reasonable.

I think Aviva could and should have been proactive at times in extending the use of car hire. After all, I think it's clear that Mr C's request for a suitable hire car was entirely reasonable and one he was entitled to under the policy. And as his car wasn't driveable for around 11 months, this was not down to anything Mr C did - but due to poor repairs which Aviva is ultimately responsible for. There were times when the car hire company were in contact with Mr C and not aware that the term of hire had been extended by Aviva. This caused anxiety when either Mr C and his wife couldn't drive the hire car as they were no longer insured - or required further visits for delivery and collection of a hire car and discussions with the hire car company around having the hire care reported as stolen - when clearly it wasn't.

I'm in no doubt that Mr C and his family's experience with Aviva under this claim has caused considerable distress and inconvenience. We take a general approach to the impact and losses incurred as a result of an insurer's failings, rather than considering a prescriptive claim for loss of wages, or depreciation. Having reviewed the information provided by Mr C, I'm not satisfied this proves that he had sold the car immediately before the incident.

So I think a total compensation award of £1,250 - along with the recommendations for the claim for further damage - is overall reasonable to resolve Mr C's complaint. This means I'm not asking Aviva to do any more.

My final decision

My final decision is that I uphold this complaint. I require Aviva Insurance Limited to do the following:

- increase the compensation award from £750 to a total of £1,250 for the distress and inconvenience caused by its poor handling of the claim.
- Pay the costs for Mr C to select an independent engineer for Aviva to appoint, in order that the independent engineer (independent from a branded dealership garage) can assess the car and the most recent estimate to conclude a fair and reasonable repair cost - and also to make a decision in respect of the trim paint which remains in dispute between Aviva and Mr C.
- Pay Mr C a CIL settlement if appropriate in line with the independent engineer's recommendations.

Aviva Insurance Limited must pay the compensation within 28 days of the date on which we tell it Mr C accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 31 July 2023.

Geraldine Newbold
Ombudsman