

The complaint

Mr L complains about Aviva Insurance Limited's (Aviva) handling of his claim, following an accident he was involved in, under his motor insurance policy.

What happened

In 2017 Mr L says he was involved in an accident that wasn't his fault. Aviva determined his car was a total loss and offered him £1,800 in settlement. He didn't agree to this. Mr L says he was looking after his ill mother at this time and so made sure his car was kept secure in a garage until he was able to pursue his claim again.

Mr L contacted Aviva in December 2022 to progress his claim. He says he was offered a lower settlement payment, and the possibility of a repair was mentioned. Mr L says this wasn't discussed in 2017. He sent information to Aviva showing similar cars for sale at a higher price than he was offered. Mr L wasn't satisfied with the inconsistent information he received from Aviva. In addition, he says it passed his information to a third-party without his consent.

Mr L contacted our service, and we forwarded his complaint to Aviva for it to consider.

In its complaint response Aviva says the correct decision was made to treat Mr L's car as a total loss. When he contacted it in 2022 it says it reconsidered its valuation, which was then increased to £2,200. Aviva says Mr L's valuation dispute should've been addressed in May 2017. But in October he told it not to progress the claim until he made contact again.

Because of the delay in reconsidering the valuation in 2017, Aviva says it will pay interest on the settlement payment for this period at 8%. It also offered Mr L £100 compensation for its lack of proactive handling in 2017.

Aviva says it gave Mr L's contact information to solicitors because of the potential injuries he reported. It says this was done with respect to the legal expenses cover included with his policy.

Mr L didn't think Aviva's response was fair and asked our service to consider the matter. Our investigator didn't uphold his complaint. He noted Aviva had paid a settlement figure of £2,800 in February 2023. As this was higher than the industry trade guide valuations, he didn't think it should pay more. He also says Aviva hadn't behaved unreasonably when it referred the personal injury matter to a solicitor in line with Mr L's policy cover.

Mr L didn't agree with this outcome. The complaint has since 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.

Having done so I'm not upholding this complaint. Let me explain.

Mr L decided not to pursue his claim in 2017. Although I can see Aviva offered him a settlement payment for £1,800 at this time. When he did decide to progress his claim in 2022, he was offered an increased settlement payment for £2,200. But he didn't think was fair.

I understand Mr L wants the best offer he can get following the total loss decision. But having read his policy terms, the policy provides the market value in the case of a total loss. This is defined in the policy booklet as:

"The cost of replacing your car with one of the same make, model, specification and condition."

We don't provide valuations for vehicles but rather we look to see whether the insurer's offer is reasonable. In assessing whether a reasonable offer has been made, we obtain valuations from the motor trade guides.

These guides are used for valuing second-hand vehicles. We find these guides to be persuasive because their valuations are based on nationwide research and likely sales figures. The guides also consider regional variations. We also take all other available evidence into account, for example, engineer's reports.

Our investigator thought Aviva's settlement offer was fair and reasonable. I've checked how he arrived at this conclusion. I can see he looked at the valuation information Aviva provided. It used the correct make, model, age, mileage, and date of loss in both of the valuations it used. The valuations were £2,290 and £2,097.

I tried to obtain further valuations from the trade guides we use. But at the time of the loss Mr L's car was too old for valuations to be provided.

From the claim notes I can see Aviva paid Mr L £2,800 in February 2023. This is significantly higher than the cars market value based on the trade guides I've seen. I understand Aviva agreed to value Mr L's car in the current year, which is where the higher valuation came from. This isn't the approach Aviva is expected to take. The loss occurred in 2017, which is the date we'd expect a settlement figure to be calculated from. It appears Aviva has paid a higher figure based on a more recent valuation as a gesture of goodwill. I think this is reasonable. But I won't be asking it to pay more.

I can see Mr L's policy includes legal protection. This is explained in his policy terms and conditions. It confirms assistance will be given to recover costs, including personal injury claims. Aviva says Mr L highlighted potential injuries when he first registered his claim in 2017. In these circumstances I don't think it did anything wrong when providing Mr L's contact details to a solicitor.

I've thought about Mr L's comments that he was told his car may be repairable when he contacted Aviva in 2022. I've read the claim records and all correspondence provided. I can't find reference to this being said or discussed with Mr L. I don't dispute his recollection. But I have no information that shows a repair was discussed or that this was economically viable.

Mr L raised a number of additional points he hadn't set out in his complaint to Aviva. Our investigator asked him to clarify if he wanted these issues forwarding to the business for it to respond. Mr L didn't reply.

I can't consider complaint issues unless the business has first had the opportunity to respond. So, I won't be commenting further on these points in my decision.

In summary, I think Aviva could've addressed Mr L's concern around the settlement value at the time this was raised in 2017. However, it was his decision not to pursue his claim until 2022. I don't think Aviva acted unfairly in the payment it provided for £2,800, which is in excess of the trade guide valuations. So, I can't reasonably ask it to do anymore.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 7 September 2023.

Mike Waldron
Ombudsman