

The complaint

Mrs A complains that Aviva Insurance Limited mishandled a claim on her motor insurance policy.

What happened

The subject matter of the claim and the complaint is a car, made by a premium-brand car-maker and first registered in about 2017.

For the year from early July 2022, Mrs A had the car insured on a comprehensive policy with Aviva. She was the policyholder. The policy also covered another family member as a named driver.

Aviva's policy terms said that, if the car became a total loss, then Aviva wouldn't provide a courtesy car. If the car was repairable and Mrs A accepted an Aviva-approved repairer then Aviva would provide a courtesy car. If she wanted another repairer, then the excess would be £250.00, and Aviva wouldn't provide a courtesy car.

Unfortunately on the morning of 16 May 2023, Mrs A reported to Aviva that someone had broken into the car and damaged it. Aviva sent Mrs A an email.

Later on the same day 16 May 2023, Mrs A paid for a hire car for the period from 17 to 24 May 2023.

In the late afternoon of 16 May 2023, Aviva said it could repair her car and provide a courtesy car.

However, Mrs A wanted repair by a main dealer franchised by the car-maker.

Aviva's salvage company tried to collect the damaged car.

On about 8 June 2023, Aviva's roadside assistance company collected the car and delivered it to the main dealer.

Mrs A complained to Aviva that it was responsible for poor service, and it should reimburse her hire costs.

By a final response dated 21 June 2023, Aviva declined to reimburse the hire costs. However it apologised for delays and offered Mrs A £150.00 in full and final settlement. Mrs A brought her complaint to us the same day.

our investigator's opinion

Our investigator at first recommended that the complaint should be upheld in part. She thought that Aviva caused delays and inconvenience to Mrs A regarding the towing of the car, as well as misinformation regarding its vehicle salvage company and whether the car

was deemed a total loss. The investigator thought that the offer of £150.00 was broadly within our published guidelines.

However, the investigator thought that Mrs A made the decision to hire a vehicle based on Aviva's information, which it later changed. The investigator recommended that Aviva should reimburse Mrs A for half the courtesy car payment.

Our investigator changed her view. She didn't recommend that the complaint should be upheld. She thought that Mrs A could've cancelled the hire and got a refund less a small fee.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mrs A and to Aviva on 20 December 2023. I summarise my findings:

£150.00 was a fair and reasonable offer for the extra distress and inconvenience Aviva caused Mrs A at an already difficult time for her.

As Mrs A didn't accept the offer, I found it unlikely that Aviva made the payment. So I was minded to find it fair and reasonable to uphold this complaint in part.

Subject to any further information either from Mrs A or from Aviva, my provisional decision was that I upheld this complaint in part. I intended to direct Aviva Insurance Limited to pay Mrs A (insofar as it hasn't already paid her) £150.00 for distress and inconvenience.

Mrs A disagreed with the provisional decision. She says, in summary, that:

- Within an hour of reporting the claim on the morning of 16 May 2023, Aviva told her that her vehicle was a write off.
- At her request, Aviva confirmed in writing that her vehicle was a write off.
- The policy included business usage. Her employer was paying her a monthly allowance for using her vehicle for business use. On 16 May 2023, she had to travel by public transport to an important business meeting. In order to complete her duties at work, she had to arrange a hire vehicle as soon as possible. She did so upon receiving Aviva's confirmation that her vehicle was a write off.
- It was late on the evening of 16 May that Aviva told her that her vehicle was repairable. However, she had already booked the hire car and notified Aviva.
- She booked the hire car at a reduced rate. She was not aware she had the right to cancel this.
- Aviva's salvage company turned up to collect her vehicle as a total loss. She was getting inconsistent and contradicting information from the insurer, so even if she was aware she could cancel, she probably would not have cancelled.
- Numerous calls to various teams at Aviva were made. Each person was providing different information.
- Once she had a definitive confirmation that her vehicle would be repaired, Aviva were applying pressure on her to get her vehicle repaired by their approved garage. She made it clear she was seeking a repair from the dealership as they had availability of all the parts whereas the Aviva- approved garages had some parts on a back order and could not provide an ETA.
- Aviva failed to protect her vehicle from further damage. She had to make sure that it

was watertight. Aviva had a duty of care and should have ensured the vehicle was made safe until it was repaired.

- Aviva then refused to arrange recovery to the dealership. After she raised a complaint following numerous calls, they agreed to arrange this. She should not have suffered this stress and inconvenience as her vehicle was comprehensively insured. Aviva should have managed the repair fully without causing her inconvenience. She feels she did not get the service that she had paid for.
- The dealership refused to start repairs until Aviva cleared outstanding invoices. She had to call Aviva to get this sorted. Aviva emailed her to ask her to ask the dealership to send the invoices. She was shocked. This was not her job and responsibility.
- Hire costs should be upheld fully based on the fact that upon receiving written confirmation that her car was a write off, she booked a hire car. Regardless of whether she could have cancelled this or not, she had made this booking based on advice by Aviva that her car was not repairable, it was a total loss and no courtesy car would be provided. Aviva even took all her account details to send to their accounts team for payment.
- Considering the stress of the damage her vehicle suffered, making alternative arrangements to travel to her meeting the same day. ensuring her car was made safe and not occur further damage or vandalism and looking at all the calls and people she have spoken to, Aviva should reimburse the cost of the hire car. She would never have booked this if Aviva didn't make these mistakes and given her the wrong information.
- She does not understand why Aviva asked her for hire receipts if they had no plans to reimburse her. They repeatedly wasted her time. Aviva's case worker verbally advised her that upon receiving these, she would be reimbursed. Then she went on holiday and another person reviewed the file and decided not to reimburse.
- The £150.00 they have offered for the inconvenience mounts to a day of inconvenience only. It does not justify all the time and calls she has made. At any one time, she could be on hold in excess of an hour. This amount does not even take into consideration the impact this has had on her mental and physical health.
- Ombudsman on the outset agreed she should be reimbursed for the hire costs and then subsequently back- tracked. This is totally unfair and this decision was made factually on terms and condition they have seen on the website of the car hire company. Ombudsman caseworker has not taken into consideration her explanation and the background details and understood the pressure and circumstances she was facing. This seems extremely unfair.

Aviva says that there is no change in outcome between its final response and the provisional decision.

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.

In my view, the damage and the need to make a claim were bound to cause Mrs A some upset and inconvenience. The car was insecure and impossible to steer.

Mrs A has shown us a message from Aviva on 16 May 2023 starting as follows:

"Your vehicle with the current damage is deemed to be a write off and will be collected by [vehicle salvage company]"

I accept that Mrs A booked a hire car before Aviva changed its mind and said it could do the repair.

However, Mrs A could've cancelled the hire car and got a refund of her payment less a cancellation fee of £40.00.

Mrs A made it clear that she wanted a main dealer to fix her car rather than Aviva's approved repairer. So Aviva wasn't obliged to provide a courtesy car. And Mrs A needed to keep the hire car. Therefore I don't find it fair and reasonable to direct Aviva to reimburse her for any of the cost of the hire car.

Also, Aviva wasn't obliged to tow the damaged car to the main dealer, although it eventually did so.

From what Mrs A and Aviva have each said, the main dealer didn't want to start work on her car because Aviva hadn't paid it for an earlier job. Aviva and its engineer involved Mrs A in this and that caused her some irritation. The issue also caused some delay, until early June 2023.

Aviva asked Mrs A for copies of the hire invoice, raising her expectations, only to tell her that it wouldn't reimburse her.

I accept that Aviva caused Mrs A to spend more time on the telephone than should've been necessary. And Aviva made her feel that she wasn't getting the service she was entitled to expect.

Response to the provisional decision

I've said that, in my view, the damage and the need to make a claim were bound to cause Mrs A some upset and inconvenience. That included the need to re-arrange her travel on 16 May 2023.

The damage and the need to make a claim also inevitably involved Mrs A in making calls to Aviva.

Mrs A says that Aviva failed to protect her damaged car. However, from what she had said, I consider that Mrs A kept possession of the car. And I don't accept that Aviva had a responsibility to protect it (for example from water ingress) while it was still in her possession or control.

I've accepted that on 16 May 2023, Aviva told Mrs A in writing that her car was a write off. I've accepted that Mrs A booked a hire car before Aviva changed its mind and said it could do the repair.

However, I've also said that Aviva's policy terms said that, if the car became a total loss, then Aviva wouldn't provide a courtesy car; and if Mrs A accepted an Aviva-approved repairer then Aviva would provide a courtesy car. So I would add that Aviva's incorrect confirmation of a write off shouldn't have led Mrs A to expect that if she hired a car then Aviva would reimburse her. Rather, I consider that she booked and paid for the hire car without any expectation that Aviva would reimburse her.

I don't accept that Aviva's misinformation caused Mrs A to book the hire car. Rather, she has said that she needed a car quickly for work. She hired a sports utility vehicle from the next day. And she wanted a main dealer repair. So I'm not persuaded that she would've waited

for Aviva to confirm the availability of a smaller courtesy car, even if she had accepted an Aviva-approved repairer.

I accept Mrs A's statement that she wasn't aware she could cancel the hire. Nevertheless, I've said that Mrs A could've cancelled it and got a refund of her payment less a cancellation fee of £40.00.

I've accepted that Aviva's salvage company tried to collect the damaged car. And I accept Mrs A's point that this was contradictory to Aviva's statement that it could do the repair. I also accept Mrs A's statement that Aviva provided contradictory information in telephone calls.

However, Mrs A hasn't said that contradictory information was the reason why she didn't cancel the hire car. Rather she has said that she didn't know she could cancel.

I accept that Mrs A felt that Aviva was pressuring her to use its approved repairer. However, I consider that it was reasonable for Aviva to point out the advantages of using its repairer. Those included the availability of a courtesy car and Aviva's responsibility for the repair process.

I've accepted that Mrs A made it clear that she wanted a main dealer to fix her car. I also accept that she was influenced by the reported availability of parts.

However, whilst Mrs A had her reasons for wanting a main dealer repair, my view is that this was her choice. And the consequences of that choice included that - as I've found - Aviva wasn't obliged to tow the damaged car to the main dealer, although it eventually did so. The consequences of that choice also included that Aviva wasn't responsible for managing the repair fully.

I've accepted that the main dealer didn't want to start work on her car because Aviva hadn't paid it for an earlier job. Aviva and its engineer involved Mrs A in this and that caused her some irritation. The issue also caused some delay, until early June 2023. I should make clear that I've taken that into account in considering the extra distress and inconvenience Aviva caused Mrs A at an already difficult time for her.

I've accepted that Aviva asked Mrs A for copies of the hire invoice, raising her expectations, only to tell her that it wouldn't reimburse her. I should make clear that I've taken that into account in considering the extra distress and inconvenience Aviva caused Mrs A at an already difficult time for her.

I've accepted that Aviva caused Mrs A to spend more time on the telephone than should've been necessary. And Aviva made her feel that she wasn't getting the service she was entitled to expect. I should make clear that I've taken that into account in considering the extra distress and inconvenience Aviva caused Mrs A at an already difficult time for her.

Mrs A has referred to the impact on her mental and physical health. However, Mrs A hasn't provided enough detail or medical evidence of ill-health – or that it was caused by Aviva.

The investigator's initial recommendation was for Aviva to reimburse half the hire costs. She withdrew that recommendation after noting that the car hire company's website confirmed that Mrs A could've cancelled and got a refund of her payment less a cancellation fee of £40.00.

In my view, nothing that Mrs A has said makes it fair and reasonable to direct Aviva to reimburse costs for a hire car that Mrs A booked in the belief that Aviva wasn't going to

provide a repair or a courtesy car, but that Mrs A didn't cancel when later the same day Aviva offered to do so.

Putting things right

Aviva tried to put things right by quickly correcting the incorrect information that it was writing the car off. Also it arranged to tow the damaged car to the main dealer. Further, Aviva sent a final response offering £150.00 compensation. Overall, I find that £150.00 was fair and reasonable offer for the extra distress and inconvenience Aviva caused Mrs A at an already difficult time for her.

As Mrs A didn't accept the offer, I find it unlikely that Aviva made the payment. So I find it fair and reasonable to uphold this complaint in part. I direct Aviva to pay Mrs A (insofar as it hasn't already paid her) £150.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Aviva Insurance Limited to pay Mrs A (insofar as it hasn't already paid her) £150.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 2 February 2024.

Christopher Gilbert

Ombudsman