

The complaint

Mr J complains about the way Aviva Insurance Limited handled a claim against his motor insurance policy.

What happened

Mr J had a motor insurance policy with Aviva. He made a claim on the policy for an accident in July 2022. A law firm, L, was appointed to recover Mr J's uninsured losses.

Mr J explained to our service he has been treated poorly by L – communications have been poor, and he's been left to do all the running around.

Although he has £100,000 worth of legal expenses cover under his motor insurance policy, Mr J says it's impossible to use it. And he hasn't been allowed to appoint his own firm of solicitors, even though this isn't stated in the policy terms.

Further, Mr J says Aviva closed his claim while he has insured losses owed to him, and it won't tell him the costs. He's also unhappy Aviva refused to log a complaint about L when it was Aviva that chose the firm.

When Mr J raised his concerns with Aviva, it explained it closed the claim in December 2022 after receiving full reimbursement of its costs from the third-party insurer (TPI). And it confirmed L would still provide its services even though the claim has been closed.

The Investigator reviewed matters and didn't recommend Mr J's complaint be upheld. Mr J didn't agree so the matter has now been passed to me for a 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.

I recognise I've summarised this complaint and I've done so using my own words. I'm not going to respond to every single point made by the parties involved. No discourtesy is intended by this. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this, and it reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I've given careful consideration to all the submissions made before arriving at my decision and I'm satisfied I don't need to comment on every individual argument to be able to reach what I consider to be a fair outcome.

Firstly, I think it's important to explain L was instructed through the legal expenses section of Mr J's motor insurance policy. As a result, the actions of Aviva which can be considered by this service are limited. We don't hold insurers responsible for how a law firm appointed in this way has handled the claim. That's because, once the insurer – here Aviva - appoints a law firm, its role is primarily limited to funding the costs.

So, I've thought about the matters I can consider in this complaint against Aviva.

From the information I've seen and limited contact I can see Aviva had with Mr J about this issue, I haven't seen any evidence Aviva's service fell below what I would've expected. It offered to raise Mr J's concerns with L and did this for him in August 2022. This is what I'd expect it to do. I also note it discussed with Mr J the option for him to appoint a different law firm and potential impact of this on the legal costs paid by it under the policy. So, I don't agree he was prevented from doing this and, as the Investigator explained, the terms setting out the law firms' appointment and funding are set out in the policy terms. Finally, given L was acting for Mr J and Aviva was paying for the legal costs, I don't agree it's been impossible for him to use the legal cover provided by the policy.

Aviva closing Mr J's claim doesn't influence the recovery of Mr J's uninsured losses through L. So, I don't agree Aviva did anything wrong when it recorded Mr J's claim as closed after receiving a full reimbursement of its costs from the TPI. In fact, this is what we'd expect it to do given a claim being incorrectly left open longer than it should, may cause issues for a consumer such as increased premiums at renewal or when taking out a new policy.

I recognise Mr J will be unhappy with this decision as he wants this service to consider the actions of L. And I regret we're not able to assist Mr J to the extent he'd like us to on this occasion. However, for the above reasons, the actions of L aren't something I can consider in this complaint against Aviva. Any concerns Mr J has with the service provided by the law firm, would need to be taken to the Legal Ombudsman (for and on behalf of the passenger, as appropriate) as it has specific jurisdiction over legal service providers.

My final decision

For the reasons set out above, I don't uphold Mr J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 13 December 2023.

Rebecca Ellis
Ombudsman