

The complaint

Mr O complains that QIC Europe Ltd (QIC) have unfairly handled a claim under his motor insurance policy.

Mr O made a separate complaint about QIC's handling of his claim up to 2 June 2020. This complaint looks at QIC's handling of the claim up to the date of this decision.

What happened

Mr O's vehicle was involved in an incident in October 2019. His car had been hit while parked. The police attended the scene. Mr O made a claim on his motor insurance policy with QIC.

Mr O was unhappy with QIC's management of the claims process. He felt they weren't doing enough to find the third-party driver's insurance details. He thought QIC hadn't tried to access the police report, even though he'd given them his police incident reference number. So he complained to QIC.

While waiting for QIC to respond, Mr O brought his first complaint to this service in December 2019. QIC issued their final response letter in January 2020. But their response simply told him that they were still conducting their investigations.

The ombudsman who looked at the first complaint upheld it in October 2020. He felt that QIC hadn't managed the claim as well as we would expect. So he asked them to pay Mr O £250 compensation for the poor service. He also said that if Mr O felt that QIC continued to manage his claim badly he would be able to raise a new complaint.

In September 2020 Mr O brought a second complaint about QIC's claim handling. He'd complained to them again on 2 June 2020. But they'd failed to provide a final response letter.

In March 2021 our investigator upheld his second complaint about QIC. He explained his view covered the period from January 2020, when the final response letter for the first complaint was written, to 28 July 2020, the latest date at which the final response letter should've been written. To put things right, he recommended that QIC paid £250 compensation for the distress and inconvenience they'd caused.

Mr O didn't agree with our investigator. He felt the compensation wasn't enough. He also felt his claims management complaint should be fully resolved through his second complaint, rather than going through another one.

So his complaint has come to me for a final 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.

QIC have agreed that I can consider events which took place from January 2020 up to the date of this decision.

Mr O has provided detailed submissions to support this complaint. I've read and considered them all. But my findings are expressed in considerably less detail. And they focus on what I think are the main issues.

Having considered the evidence, I'm going to uphold the complaint. But unfortunately I think Mr O will still be disappointed.

This claims handling complaint hinges on whether the third-party driver who hit Mr O's car was insured or not at the time of the accident. Mr O thinks they were. But QIC don't agree.

There's no dispute that Mr O's vehicle was involved in an incident that wasn't his fault. Usually, when there is an accident between two parties, both parties are insured as required by law. And where one party is at fault their insurer will usually settle the claim for both parties.

From what I've seen, both the police and QIC have confused matters by mentioning that the third-party may've had insurance.

QIC said they're *"unsure why an email was sent to [insurer's name] in January 2020 requesting payment and their stance on liability when a previously completed [check on the Motor Insurance Database] (31/10/2019) had shown the vehicle to be uninsured at the time of the incident as well as confirmation directly from [insurer's name] that they had no live policy."* QIC told Mr O that the lack of entry on the Motor Insurance Database meant they couldn't progress his claim any further.

The police sent Mr O an e-mail on 23 February 2021 stating that they had recorded insurance details. But that record showed a company name that doesn't exist.

Despite these two e-mails, I've seen no evidence at all that the third-party had insurance. So there was no insurer to pay Mr O's claim other than his own. So QIC have incurred costs that they shouldn't have done because the third-party was uninsured. I don't think it's unfair for QIC to try and recoup those costs, or Mr O's uninsured losses (his excess) and to do that the claim remains open.

I acknowledge that QIC could've tried to obtain the police report earlier in the claims process. And I can see that Mr O has placed great importance on this. But QIC have said that it: *"would have no bearing on the outcome as the search completed using the [Motor Insurance Database checking] service would have provided the same results to the police."*

After QIC had received the police report, they made further enquiries with the police directly. They said that the police told them that they'd intended to prosecute the third-party for driving without insurance. But that this didn't happen as the time for them to be able to do this had passed, partly due to the pandemic. They said that the police had been able to provide further information which allowed them to locate an insurance broker. And that when they contacted that broker they'd been told that this was a case of mistaken identity. And that they'd no record of the third-party being insured with them. The insurance broker said they'd notified the police of this.

QIC said they'd told Mr O about their ongoing investigations. But had made him aware that as it stands the claim is against his own policy and that this position is unlikely to change.

Mr O recently told us that the police had been in contact to tell him that further information

about the third-party was available. So our investigator spoke with QIC on 28 July 2021 to get an update on the claim. They noted that the claim hasn't been closed yet as they were still trying to get information. They confirmed that as it stands the third-party was uninsured at the time of the incident and the details for the driver on the police report have also shown no insurance cover. They noted that the police's intention to prosecute the third-party for driving without insurance shows that the police had no evidence of insurance.

Without an insurer to claim costs back from, QIC settled the claim as a non-fault claim with costs incurred. This meant that Mr O would need to declare the claim to future insurers. His premiums would be affected. The claim also affected Mr O's No Claim Discount. QIC waived the policy excess as a gesture of goodwill.

I acknowledge that Mr O is concerned that QIC have told him they'll close his claim without making a recovery from the third-party. Unfortunately, there's no other reasonable action for them to take at this point. They've been unable to identify any valid insurance cover for the third-party. They've checked the third-party's vehicle registration number with the Motor Insurance Database. And followed up about a possible insurance broker. But this didn't locate a valid insurance policy at the time of the accident. QIC said: *"the result has come back showing that the third-party's vehicle did not hold valid insurance at the time of the accident."*

They've also reviewed the police report and followed up directly with the police. But have noted that the report doesn't provide any details of an insurer or any other evidence that would help them to find out if valid insurance was held by the third-party at the time of the incident.

Taking all of the information I've seen into account, I'm persuaded that there's no third-party insurer. This means there's no insurer to claim costs back from.

I acknowledge that QIC didn't communicate well with Mr O. They appeared not to be chasing the police report despite the fact that Mr O reasonably thought it was important. They sent him a confusing e-mail about the third-party's insurer, even though they knew there wasn't one. So I can see why Mr O felt he had to investigate his claim himself.

But I don't think QIC have – in the end – made the wrong decision on the handling of the claim. They've taken the actions I would expect them to take where the third-party isn't insured.

I know this will be extremely disappointing to Mr O. But I can't find any errors in how QIC has managed his claim.

However, it's completely clear that QIC could've done more to progress the claim. It could've applied for a copy of the police report much sooner. And it should've kept Mr O much better informed throughout the claims process.

Mr O has provided a detailed explanation of the compensation he'd like to receive for QIC's poor claims handling. I can see how hard he's worked to try to progress his claim. I can imagine it's been a stressful and frustrating time for him. But, from the information I've seen, I'm not persuaded that QIC's actions warrant the amount of compensation he's asking for.

In the end, it's extremely bad luck that the third-party who hit his car wasn't insured. But I can't hold QIC responsible for that. They've not made any errors in the way they've handled the claim. And it's correct that the only action they can now take is to close the claim.

QIC have said they've had several conversations with Mr O explaining the current situation.

But I would also expect them to update him if any new information comes to light, or when the claim is closed.

Looking at the quality of communication and claims management QIC provided, I'm persuaded that it fell short of the service Mr O could've expected. Overall, although I'm aware of Mr O's frustration and strength of feeling, I don't think I can reasonably require QIC to pay the compensation he's set out. Taking everything into account, I agree with our investigator that £250 is fair and reasonable compensation for the level of service Mr O has received since January 2020.

Putting things right

I require QIC Europe Ltd to pay Mr O £250 for the distress and inconvenience they caused him.

My final decision

For the reasons outlined above, I uphold this complaint.

I require QIC Europe Ltd to pay Mr O £250 for the distress and inconvenience they caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 25 August 2021.

Jo Occleshaw
Ombudsman