

## The complaint

Mr P is unhappy with Accredited Insurance (Europe) Limited's claim handling, the settlement, the further damage, and the delays he has encountered throughout, under his commercial vehicle insurance policy.

## What happened

Mr P arranged insurance cover for a day so he could collect a van he'd bought. After collecting the van, he drove it for a few miles and then after refuelling smoke started to appear from under the bonnet. The fire brigade checked the vehicle, disconnected the battery, and said Mr P shouldn't drive it. Mr P contacted his insurers to make a claim. Accredited investigated the claim and interviewed Mr P. Accredited's repairers said the van hadn't suffered any fire damage based on its inspection but a full inspection should be carried out.

A second garage said a brand main dealer should check the vehicle as it couldn't find any fire damage either. Accredited contacted Mr P asking him to take the van back and arrange a main dealer inspection. Mr P didn't want the van back as he felt it was dangerous. No agreement could be reached so Accredited arranged for the vehicle to be returned to Mr P. Mr P later provided video evidence showing the returned van parked dangerously in the road, it wouldn't start, and he pointed out what he said was new bodywork scratch damage.

Mr P got his own expert evidence. This said the fire was due to a battery lead and connection. Mr P got an estimate written up and this included the repair costs for the new scratched bodywork he referred to when the vehicle was returned.

After some more debates and delays Accredited did eventually arrange a main dealer inspection. This noted a melted wiring loom but no fire damage. However, it did confirm that even though it was a main dealer if a more detailed check was needed the van would need to go to a commercial vehicle main dealer.

The van was returned to Mr P and he got some further expert evidence pointing out that when it came back from the main dealer the engine cover had been left off, the fuel filter was in the back of the van, the battery was disconnected, and the coolant tank was moved. Mr P brought his complaint to this service as he was unhappy with all of this, the lack of communication and the delays.

Our investigator upheld the complaint. He said Accredited hadn't acted reasonably and it should now pay for the components that were removed to be refitted and to pay £500 compensation for the distress and inconvenience it had caused Mr P and his family.

As neither party agreed the complaint was passed on for an ombudsman decision. In my recent provisional decision, I said:

*"Accredited accepted that there had been some delays. It said with hindsight it should have dealt with getting an inspection from a main dealer much sooner. But it also said there was just no evidence of fire damage and everything pointed to an electrical fault which was*

*excluded under the policy.*

*Mr P said he'd bought the van for work and was losing money due to being unable to use it for that purpose. He said the policy was unclear and inconsistent and because of that he should get the benefit in his favour.*

### **Is the damage covered under the policy**

*The fire brigade confirmed it didn't need to use its appliance when it checked over the van after Mr P saw smoke coming from under the bonnet. The reports I've seen said there was no fire damage found under the bonnet and no fire damage to the bodywork. Different reasons have been provided for the cause of damage. But the policy doesn't cover "any mechanical, electrical, electronic, computer or computer software breakdown, failure, fault or breakage". Based on the evidence provided it does seem as though the issue was electrical, so, I think Accredited acted reasonably when it said the claim was excluded under the policy wording. Accredited said Mr P will need to resolve the electrical fault issues through his own repair at his own cost.*

*Mr P said the wording was unclear about the differences between fire damage and electrical fault. I don't think that's the case. I think the wording applied by Accredited is along similar lines to most standard commercial vehicle and motor policies on the market and the cover included under this policy is normal.*

### **Other damage and costs**

*Mr P sent in a video showing what he said was new damage to the bodywork of the van once it was left outside his house by the main dealer. Accredited dispute that the bodywork scratches occurred while the vehicle was in its possession. There's no doubt that the van was moved around quite a bit. But it wasn't just with Accredited, or the main dealer, the van also spent time in storage arranged by Mr P. Accredited insist the damage is pre-existing. As there's nothing definitive evidence wise, I can't say that Accredited is responsible for this other damage.*

*Mr P has referred to other costs for moving the van at different times to and from storage, the costs of a mechanic, having a new battery fitted and HGV recovery. Much of this was done by Mr P without discussion with Accredited and I'm not convinced it was all required. I think Mr P said the van still didn't work after the battery had been changed, so I don't think I should ask Accredited to pay for that. But I understand the point about the vehicle being left in the middle of the road and not working when returned by the main dealer. In this situation Mr P had to take action to move it. So, I think his costs for moving the vehicle at this point to storage should be paid by Accredited once it has seen evidence of costs. If Mr P had to pay to get the vehicle collected back out of storage after this the costs here should be paid too. I understand that Accredited said it has no link to the main dealer but dealing with the vehicle was in its hands at the time it was with the main dealer. Any issues that occurred with the service provided by the main dealer are between it and Accredited. It would be unfair for Accredited to step away from this as it was its initial requirement to have a main dealer check the vehicle and it should have done this at the start of the claim.*

### **Parts not refitted**

*It's accepted that some vehicle parts were removed during inspection and these weren't replaced before the van was returned to Mr P. I accept the van was returned in a poor condition, didn't start, and some parts needed to be refitted. The vehicle was even parked dangerously. I think it would be fair and reasonable for Accredited to pay the costs of these items being refitted based on engineer's report from Mr P in April 2021. These include the*

engine cover, the battery reconnection (if safe), the coolant tank and deal with the fuel filter too. This would need to include any leakage or damage caused by the fuel filter while it was placed in the back of the van. Accredited say the main dealer is responsible and there's no direct link between itself and the dealership. If Accredited want to take the matter up with the main dealer about these issues and costs then so be it, but that doesn't stop Accredited getting the work done for Mr P. It can argue with the main dealer about that separately. Accredited should have arranged for the check much earlier to avoid delays and it is unfair to now try and leave this issue to Mr P to sort out.

### **Mould**

Mr P said the upholstery is suffering from mould and partly suggests that's down to the window being left open and partly due to the main dealer. I don't think there's any evidence to support this, so I don't think Accredited has acted unreasonably here.

### **Claim handling and communication**

Accredited accept it took too long to deal with the issues in this claim and that mistakes were made. The investigation could have been done a lot quicker and I accept Mr P's point that he was having to chase up to find out what was going on. Accredited now accepts that it should have in the first instance arranged for a main dealer to inspect the van rather than just send the vehicle back to Mr P. It took many months to put this issue right. I don't think Accredited acted fairly and reasonably regarding the claims handling and communication.

### **Storage costs**

Accredited said it shouldn't have to pay these. For the £86.85 I think Accredited should pay this as it was during a period when Mr P was asking it to take the van for inspection. It said if Mr P had told it he needed to put the vehicle in storage it could have arranged for this to be done for free. I don't accept that. The vehicle was returned to Mr P and his video showed at one stage when returned to him that it didn't start despite what Accredited said. Mr P wasn't happy to accept the vehicle back, it was in poor condition and he was very worried about driving it at that stage. I understand why Mr P ended up putting the vehicle in storage. I think Accredited need to refund Mr P the £950 costs run up here over the period subject to proof of payment.

8% interest should apply to the already paid storage costs.

### **Engineer's reports**

Because of the issues that have mounted up with this claim Mr P has paid out for two engineer's reports. He says this is due to Accredited's approach to his claim. I think he makes a fair point here. The reports did suggest problems that Accredited hadn't picked up. I don't think that's reasonable. It would be fair for Accredited to pay Mr P's costs for the two reports, subject to evidence.

8% interest should apply to the already paid engineer's reports costs.

### **Compensation**

Mr P said he'd bought the van expressly for a new job he was going for and without the van he was unable to work. But the evidence Mr P provided of this didn't confirm that he had the job so I'm not making an award for loss of earnings.

Our investigator recommended Accredited pay £500 as compensation for the distress and

*inconvenience caused to Mr P. There's no doubt Mr P suffered here and Accredited caused him distress and inconvenience. The communication was non-existent at times, the willingness to carry out the appropriate inspections didn't materialise until very late in the day and what, on the face of it, seemed to be a straightforward claim became a much bigger issue. The delays throughout were too long and matters remained unresolved for Mr P. He has spoken about the impact on him and his family, his health and that of his wife too. There's no doubt Mr P struggled with the stress and anxiety of the whole claim situation and so, I think Accredited should pay him £750 as compensation for the distress and inconvenience caused.*

*Mr P feels the amount is too low and an insult to him. Accredited thinks the amount is high and pointed out that once it was noted that a mechanical repair was required there was a lack of co-operation from Mr P in taking his vehicle back. Based on the circumstances and situation I think the £750 is fair. There's no breakdown of this amount."*

### **Responses to my provisional decision**

Mr P responded to say he hoped he could now get a final decision, but he didn't really have any further points to make.

Accredited made no further comments.

### **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.

Based on the limited responses I've no reason to change my provisional decision and it becomes my final decision.

### **Putting things right**

- pay for the noted refitting and repairs to Mr P's vehicle.
- pay for costs to take the vehicle to storage when it was returned to Mr P by the main dealer and costs to transport vehicle back out of storage if required, subject to evidence.
- pay £1,036.85 for storage charges up to 4 March 2021, upon receipt of proof of payment.
- pay additional storage charges from 10 April 2021 to the date the vehicle leaves storage at the rate of £38 per week, upon receipt of an invoice and proof of payment.
- pay for the two engineer's reports upon proof of payment.
- pay Mr P £750 compensation\*\* for distress and inconvenience.
- pay interest\* at 8% on the storage charges and engineer's reports that have already been paid from the date of payment by Mr P to the date of settlement.

### **My final decision**

I uphold this complaint.

I intend to require Accredited Insurance (Europe) Limited to:

- pay for the noted refitting and repairs to Mr P's vehicle.
- pay for costs to take the vehicle to storage when it was returned to Mr P by the main dealer and costs to transport vehicle back out of storage if required, subject to evidence.
- pay £1,036.85 for storage charges up to 4 March 2021, upon receipt of proof of payment.
- pay additional storage charges from 10 April 2021 to the date the vehicle leaves storage

- at the rate of £38 per week, upon receipt of an invoice and proof of payment.
- pay for the two engineer's reports upon proof of payment.
- pay Mr P £750 compensation\*\* for distress and inconvenience.
- pay interest\* at 8% on the storage charges and engineer's reports that have already been paid from the date of payment by Mr P to the date of settlement.

\*If Accredited Insurance (Europe) Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr P how much it's taken off. It should also give Mr P a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

\*\*Accredited Insurance (Europe) Limited must pay the compensation within 28 days of the date on which we tell it Mr P 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 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 5 April 2022.

John Quinlan  
**Ombudsman**