

The complaint

Mrs B has complained that Premier Insurance Company Limited has failed to properly settle two claims against her motor insurance policy. She has also complained about the service Premier provided on her claims.

What happened

Mrs B was in an accident in June 2019 when her car was hit from behind by a third party. She contacted Premier to make a claim. Mrs B wanted her car to go to a repairer of her choice. Premier asked her to send an estimate from this repairer, which Mrs B sent. Premier then closed the claim on the basis they hadn't heard from Mrs B, despite writing to her asking for images of her car. Mrs B called a couple of months later to see what was happening and was told her claim had been closed.

Whilst this claim was still outstanding Mrs B's car was in another accident where another car hit the driver's side of her car. She contacted Premier to make a further claim. They said the car could go to their approved repairer for this damage to be repaired, subject to Mrs B paying the policy excess of £350. Mrs B agreed to this and her car was taken to the approved repairer. Premier then found out Mrs B's car had been damaged before and the repairs hadn't been done very well. Premier decided to appoint an engineer to inspect the car and decide what to do.

Premier initially told Mrs B they were going to approve the repairs to her car relating to the damage from the accident in October. But it seems they then decided to offer a cash-in-lieu settlement for what they said was the cost of repairing the damage resulting from this accident, less the policy excess and VAT. They then paid £1,116.55. Premier also offered to pay for the repairs to the rear of Mrs B's car from the accident in June 2019 if she paid another policy excess. This was because they did not have an admission of liability from the other driver's insurance company. She decided against this.

Mrs B complained to Premier. They accepted they could have provided a better service on her claims and awarded her £200 in compensation. Mrs B wasn't happy with this and asked us to consider her complaint.

One of our investigators said Premier should pay £630 to compensate Mrs B for not having her car for a considerable period of time due to delays on her claim. She said this should be paid in addition to the £200 Premier had already awarded Mrs B.

Premier didn't respond to the investigator's assessment, despite her chasing them, so she moved Mrs B's complaint to the final stage in our process – an ombudsman's decision.

Mrs B has explained that she paid £4,586.28 in total for the damage from the two accidents to be repaired. She has provided the invoice of £3,586.28 for the repairs to the damage from the October accident by Premier's approved repairer, who carried out the repair. She explained that after they'd done this she asked the manager if they'd fixed any of the previous damage. And he said they hadn't.

I issued a Provisional decision on 18 February 2022 in which I set out what I'd provisionally decided as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can see from Premier's notes on Mrs B's claim and what Mrs B has said that she had sent them an estimate for the repairs to her car following her accident in June 2019. It does appear that Premier sent Mrs B follow up letters which she doesn't seem to have received. But they had the wrong phone number for her, so weren't able to contact her by phone. So, the fact her claim was closed down seems to have been due to a misunderstanding. But from their notes on the claim, Premier do seem to accept they were at least partly to blame. This clearly caused Mrs B distress and inconvenience, but she did still have her car available to use until she had the accident in October 2019.

Mrs B's claim following the accident in June 2019 was a valid claim and Mrs B clearly wasn't at fault for the accident. But Premier couldn't pursue the other driver's insurer with any realistic chance of getting an admission of liability until they had paid out something to Mrs B and had an amount to recover. This meant Mrs B would need to pay her excess of £350, leaving Premier to recover this along with their outlay. As things stand Mrs B has had the repairs to the rear of her car carried out and she has said she paid £1,000 for them. The fact it cost this amount is supported by the estimate Mrs B provided to Premier originally of £1,015.45. This means Mrs B is due to receive £750 after the deduction of her excess. So, I think Premier should pay her this amount and then look to recover it from the other insurer, along with Mrs B's excess before it is too late. I realise Premier aren't obliged to recover Mrs B's excess for her, but I think it is fair bearing in mind the problems she's had with Premier. And it does seem they have always been willing to do this.

I think the way Premier handled the claim following Mrs B's accident in October 2019 was poor. I can see this from their claim notes and from listening to the telephone calls Mrs B had with them. In these calls I can hear Mrs B was - understandably - becoming more and more frustrated. And, whilst eventually Premier made a payment for what they said was a fair estimate for the repairs needed following her accident, which I will return to later, there were clearly unnecessary delays due to poor claim handling by Premier. They themselves have noted in their notes on Mrs B's complaint that there was a significant delay.

In view of this, I agree with my investigator that Mrs B should receive a payment for the loss of use of her car. And I agree with her estimate that Mrs B was without her car due to delays by Premier for 63 days. I also agree she should receive a payment of £10 per day for this, ie £630 in total.

I think the £200 Premier awarded for distress and inconvenience is fair, as I am intending to award the full cost of the repairs to the rear of Mrs B's car without further evidence. And

despite it seeming that a small part of the repair carried out to the front of the car by Premier's approved repairer may have related to the damage to the previous damage to her car. I've explained what I mean by this below.

I can see from the engineer's report and photographs there was previous damage to Mrs B's car that was repaired. In fact, it was a Category C total loss before she bought it. I can also see the repairs weren't carried out to a very good standard. I can see from the invoice Mrs B has provided that the repairs she had carried out by Premier's approved

repairer included some work on the near (passenger) side of Mrs B's car, which was the side damaged before Mrs B bought the car. But these parts and the labour seem to be less than 10% of the total cost. And this seems to back up what the manager at the approved repairer said to Mrs B, ie that what they did had no real impact on the previous repairs.

So, bearing in mind how long it's been since Mrs B submitted her claim, I think it is fair and reasonable for Premier to cover the full amount Mrs B paid (£3,586.28) to have her car repaired following the damaged caused in the accident in October 2019, less the policy excess of £350. This is £3,236.28. And the excess won't be recoverable as the car that caused the damage is unknown. Mrs B has already received £1,116.55, which means Premier should pay her a further £2,119.73.

It should also pay her interest on this amount at 8% per annum simple from the date she settled the repair invoice to the date it pays her this amount, as she has been without these funds for this period. I don't intend to award interest on the £750 Mrs B is due for the repairs following her accident in June 2019, as I'm not requiring Mrs B to provide a paid invoice for these.

My provisional decision

For the reasons set out above, I've provisionally decided to uphold Mrs B's complaint and make Premier Insurance Company Limited do the following:

Pay Mrs B £2,119.73 for the repairs to her car following the accident in October 2019, plus interest at 8% per annum simple from the date she settled the invoice (21 February 2020) to the date of actual payment.

Pay Mrs B £750 for the repairs following the damage to her car in June 2019.

Pay Mrs B £200 for distress and inconvenience – if it has not paid this already.

Pay Mrs B £630 for the loss of use of her car.

Take whatever action is necessary to recover Mrs B's £350 excess on her claim following the accident in June 2019 for her from the other driver's insurer.

I gave both parties until 4 March to provide more comments and evidence. Mrs B has responded to say she is happy with what I've provisionally decided. Premier haven't responded.

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.

As Mrs B is happy with what I provisionally decided and Premier haven't responded to my provisional decision, I see no reason to alter my view as set out in it on what the fair and reasonable outcome of Mrs B's complaint is.

Putting things right

For the reasons set out in my provisional decision, I've decided the fair and reasonable outcome to Mrs B's complaint is for Premier to do the following:

Pay Mrs B £2,119.73 for the repairs to her car following the accident in October 2019, plus interest at 8% per annum simple from the date she settled the invoice (21 February 2020) to the date of actual payment¹.

Pay Mrs B £750 for the repairs following the damage to her car in June 2019.

Pay Mrs B £200 for distress and inconvenience – if they have not paid this already.

Pay Mrs B £630 for the loss of use of her car.

Take whatever action is necessary to recover Mrs B's £350 excess on her claim following the accident in June 2019 for her from the other driver's insurer.

My final decision

My final decision is that I uphold Mrs B's complaint and order Premier Insurance Company Limited to do what I've set out above.

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

Robert Short
Ombudsman

¹ Premier Insurance Company Limited must tell Mrs B if they have made a deduction for income tax. And, if they have, how much they've taken off. They must also provide a tax deduction certificate for Mrs B if asked to do so. This will allow Mrs B to reclaim the tax from Her Majesty's Revenue & Customs (HMRC) if appropriate.