

## **The complaint**

Miss C has complained about her motor insurer Soteria Insurance Limited. She thinks it unreasonably delayed closing her claim after her car was damaged in an accident.

## **What happened**

Miss C was involved in an accident in April 2021 which was not her fault. Her policy was due to renew in August 2021 and her claim for the loss of her car, at that time, was still open. Soteria hadn't received settlement of its outlay from the other driver's insurer. Miss C's policy renewed (with a different underwriter) and her premium was increased, against what she had been charged the year before, because of the open claim.

Miss C also made a personal injury claim following the accident. In February 2022 this was settled. Soteria had been asking the personal injury solicitor for updates as it couldn't take action itself to recover its outlay whilst the personal injury claim was ongoing. It didn't receive any update from the solicitors and on 5 May 2022 Soteria sent a further letter to the other driver's insurer stating it would take action within seven days if its outlay (along with Miss C's excess sum) was not reimbursed.

By this time Soteria had accepted to Miss C that it had caused some delays, and said it was sending her £75 compensation. Miss C, unhappy with that, complained to our service.

In May 2022 our Investigator said he felt Soteria could have done more in the first half of 2022 to follow up on its recovery action with the other insurer. He felt its failure to do so had caused upset to Miss C and that it should pay her a total of £325 compensation.

Miss C didn't think that was enough. Not given her insurance premium increase.

Soteria, in June 2022, said it had begun recovery action in respect of its outlay. It said it couldn't have done this whilst the personal injury claim had been on-going. So it didn't feel it should have to pay Miss C compensation.

## **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 understand that it was upsetting for Miss C to see her premium increase. However, it is quite usual, in insurance, for a no claims bonus to be affected unless or until full recovery of any claim outlay is received. That's even where the policyholder is not in any way at fault for the accident. I think Soteria could have done more in the first few months of the claim but I don't think it likely that anything it could have done would have allowed for recovery of its outlay before Miss C's policy renewed in August 2021.

I say that because Miss C had a personal injury claim that was not resolved until February 2022. And the other insurer was clearly not minded to return Soteria's outlay voluntarily. That has meant Soteria has had to take formal action against it with a view to

recovering the claim outlay. And Soteria couldn't reasonably have taken action like that until the personal injury claim was concluded.

But I note the personal injury claim was resolved in February 2022. And Soteria had issued a seven-day notice of action to the other insurer on 31 January 2022, and it then did nothing more until it issued a further seven-day notice in May 2022. Seemingly Soteria was chasing the personal injury solicitor for an update during this time and not receiving any replies. But I don't see that it asked Miss C for an update. And, crucially, the personal injury claim did conclude long before May 2022. So I think Soteria could have done more at this time to move things along and its failure to do so did cause a delay for Miss C. I can completely understand her frustration over this and I do think £325 compensation is fairly and reasonably due to her.

### **Putting things right**

I require Soteria to pay Miss C £325 compensation. But if Miss C has cashed the £75.00 sent to her previously, or that sum has otherwise been paid into her bank, Soteria will only now have to pay her the remaining £250 of the total award sum (of £325).

### **My final decision**

I uphold this complaint. I require Soteria Insurance Limited to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 13 October 2022.

Fiona Robinson

**Ombudsman**