

## The complaint

Mr R has complained about his motor insurer, Royal and Sun Alliance Insurance Limited (RSA) because it didn't tell him it had agreed, on a without prejudice basis, that he was at fault for an accident which occurred in 2019.

## What happened

Mr R was involved in an accident in 2019. He believed it was not his fault. The other driver said it was. RSA initially dealt with the claim on the basis of Mr R not having been at fault. But, in 2020, RSA's legal representative decided to agree, on a without prejudice (WOP) basis, that Mr R had been liable. This was because they didn't think it was possible to succeed in any court action with an argument to the contrary. RSA was aware of the decision. Mr R was not informed.

Following the claim in 2019, Mr R had been told by RSA's legal representative that they'd be in touch in due course. So he waited. And with the Covid-19 pandemic which then ensured, he thought the matter was just taking a while to resolve. Mr R owned his car as part of a particular scheme, which the insurance provided by RSA was linked to. Around the time of the accident, and thereafter, Mr R had been thinking about returning the car and ending his involvement with the scheme. But whilst not knowing what was happening with the claim, Mr R felt unable to make any decision in this respect. In September 2021 he spoke to RSA for an update. He was surprised to be told that, as of 2020, his liability for the accident, on a WOP basis, had been agreed. He was unhappy that he hadn't been told about this sooner and complained.

RSA acknowledged the error, apologised and offered £100. Mr R was unhappy. He complained to us. He explained how RSA had acted to accept liability without any contact with him. Mr R said that RSA's offer of compensation had been inappropriately low given that RSA had accepted it had failed him.

Our Investigator asked Mr R if he had any evidence of incurring any financial loss regarding his car and insurance during the time he had been unaware of RSA's WOP acceptance of liability. Mr R did not provide any further details regarding this. Mr R told our Investigator that, on a number of occasions, prior to finding out in 2021 that liability had been accepted, he had chased for updates. He clarified that this had been through the scheme provider, not RSA – that his first contact with RSA, since its representative had told him they would be in touch in due course, about the progress of the claim, had been in 2021. That it was during that first contact with RSA in 2021 that he was updated about the liability decision made the year before.

Our Investigator felt that RSA; having acknowledged its error in not updating Mr R, having apologised for that and having offered £100 compensation, had acted fairly and reasonably. So she did not think RSA should have to do anything more.

Mr R was unhappy. He asked for an Ombudsman's 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'm aware that Mr R has raised other concerns with RSA, and this service. But they are not the subject of this complaint which I am considering here. This complaint, and my decision, as reflected in my background set out above, focus only on RSA's failure to inform Mr R that a liability decision had been made.

I do think RSA failed Mr R here. In many ways the effects of RSA's failure have been limited because Mr R didn't act in the interim to change the arrangements for his car, including the provision of insurance. I can't know what would have happened, had he decided to change, but it's a distinct possibility that RSA's failure could have prejudiced his position. Which is why this service expects insurers to keep their policyholders reasonably informed and updated of key claim activity and decisions. RSA did not do that here. So it reasonably has to make amends to Mr R for the consequences of that failure.

Here, because Mr R did not act to change anything, and he was waiting for an update, the impact on him was, in my view, relatively limited. I know Mr R wanted to know what was happening, and that he put his plans on hold in the interim. But he hasn't shown me that he suffered financially because he waited in this way. And I do think that if he had been feeling too worried or upset, he'd have made attempts to speak to RSA or its representative sooner. It was sometimes more difficult to contact companies during the pandemic – but it wasn't impossible. And Mr R hasn't said that he tried to contact RSA or its representative but was unable to get through – rather that he was dealing with the scheme provider in the meantime. I can't reasonably hold RSA liable for what the scheme provider did or didn't tell Mr R. Mr R had policy documents showing that RSA was the insurer and he had correspondence from its representative (which said they'd be in touch). I think the fact that Mr R did not chase these entities during 2020-2021, until he finally spoke to RSA and was updated on liability, shows that he didn't suffer much on-going upset during that time.

In my view, and quite understandably, Mr R's upset occurred when he learnt of the liability decision. But not only that – that the decision had been made nearly a year before, that RSA had known about it and he had not been told. That would have been more than frustrating for Mr R and I completely understand why he was so upset with RSA about this. I accept that this caused him worry about what might have happened, and a loss expectation about what he might have done differently had he known earlier. However, RSA has acknowledged this failure, apologised for it and the upset caused, and offered £100 compensation. In the circumstances, I think that is in line with what this service would expect it to do. I think RSA, on this occasion, has acted fairly and reasonably in response to Mr R's complaint. I'm not minded to make it do anything more.

I understand that RSA did not make the compensation payment to Mr R as he did not accept it and, therefore, did not give it his bank details. As such, given I've found that RSA failed Mr R and that this is a fair and reasonable remedy to Mr R's complaint which arises out of that failure, I will direct RSA to pay this now. If Mr R accepts my final decision, within the deadline set, RSA will be bound to pay that sum. If Mr R does not accept it, it won't have to pay it.

## **My final decision**

I require Royal and Sun Alliance Insurance Limited to pay Mr R £100 compensation as previously offered by it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 3 February 2023.

Fiona Robinson  
**Ombudsman**