

The complaint

Mr C has complained about his insurer Accredited Insurance (Europe) Ltd (AIE) because it has declined his claim for his stolen but recovered car.

What happened

Mr C's car was stolen, and recovered, in May 2020. AIE began considering a claim for it. But Mr C became ill and was unable to continue dealing with it. The unresolved claim was closed in March 2021 (the car having been returned to the finance company). In August 2021 Mr C wrote to AIE – he explained he'd been ill and affected by the Covid-19 pandemic. AIE reopened the claim.

AIE had concerns about the claim, and asked Mr C to provide it with various details and evidence. Mr C answered all of the questions put to him, and provided most of the evidence asked for. But AIE wasn't happy with the extent of Mr C's answers – it felt he hadn't cooperated with its enquiries. AIE said that, as a result, it was declining the claim and set out a list of issues it felt Mr C had not adequately answered. Mr C complained to us.

Our Investigator felt Mr C had cooperated. She thought that AIE feeling that the answers given had not been adequate was not the same as Mr C not having given any answers. She felt that the only thing that could be said to be outstanding, when reviewing the list AIE had set out in its final response, was a full dated list of the addresses where Mr C had stayed. She didn't think it had been fair or reasonable of AIE, in that circumstance, to decline Mr C's claim on the grounds that he had not cooperated with it as required by the policy. She said the claim should be considered and that AIE should pay Mr C £200 compensation.

AIE explained some of the concerns it had with some of the detail Mr C had provided to it. AIE added that whilst Mr C had been asked for a copy of the car's V5 (the car's log book), Mr C hadn't provided this, even though he could have obtained a copy from the DVLA (the Driver and Vehicle Licensing Agency). AIE said that, without this, Mr C had not shown that he owned the car or had an insurable interest in it. AIE 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 agree with our Investigator. I think AIE failed Mr C on this occasion – that its decline of his claim was unfair and unreasonable.

AIE has recently argued that Mr C did not provide it with a copy of the V5. I'd remind AIE that a V5 is not evidence of ownership of a vehicle. But most importantly AIE knew in 2020 that Mr C did not have a copy of the V5, it knew the reason given for that, and its claim handling company recommended that enquiries were made with the DVLA direct to establish any registered keeper details. I don't see that, at any time, AIE directed the claims management company further regarding the V5, not to complete a search or to ask Mr C again for the V5. Not even when AIE was conducting its final review of the claim, nor even when it issued its

final response explaining to Mr C what detail was outstanding, therefore, giving it cause to decline the claim. So I don't think it's reasonable for AIE to seek to rely on Mr C's non-provision of the V5 as grounds for saying he did not cooperate with its enquiries.

Our Investigator noted that the only thing outstanding, which AIE had said was outstanding in the final response letter, was dated detail from Mr C about where he had lived. But even in that respect Mr C has said he just can't be sure of all the relevant dates. I can understand why AIE would want to ask for that information – but if Mr C can't be sure, then that is his answer. If Mr C had said something like, "I'm not giving you that information", that would be different. But that is not the case here.

Mr C was unable to deal with the claim between summer 2020 and August 2021. And AIE accepted that and reopened the claim. AIE had questions it needed Mr C's assistance with – he has given that, to the best of his ability. It is now up to AIE to make its decision based on the detail it has.

I think that between the claim reopening and AIE issuing its final response in 2022, AIE did cause delays. It kept asking for detail that even its claims management company said had already been asked for and answered. And, as I've said, I think AIE's decline was unfair and unreasonable too. I think it should pay Mr C £200 compensation.

I know this has been an incredibly difficult time for Mr C. I know that losing his car (which was felt to be a total loss but was returned to the finance company) and having to pay the finance company without the benefit of any settlement from AIE was difficult for him. But I'm mindful that Mr C's situation was somewhat stretched, financially speaking, even before the loss occurred, and that, initially at least, AIE fairly and reasonably needed Mr C to assist it with its enquiries. So I don't think AIE is reasonably responsible to Mr C for things like his credit rating being affected, or for him being without any settlement for the claim for so long. But, as I've said, AIE didn't handle the claim fairly and reasonably when it was reopened again and that is why I've awarded the compensation I have. I'm satisfied that fairly and reasonably reflects the upset caused to Mr C which I think AIE is responsible for.

Putting things right

I require AIE to consider its liability to Mr C for the claim in line with the remaining terms and conditions of the policy. Any necessary further investigation cannot duplicate previous enquiries.

I also require AIE to pay Mr C £200 compensation.

My final decision

I uphold this complaint. I require Accredited Insurance (Europe) Ltd to provide the redress set out above at "Putting things right".

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 7 February 2023.

Fiona Robinson
Ombudsman