

The complaint

Ms C says One Insurance Limited provided poor service after she made a claim on her motor insurance policy.

What happened

Ms C's car was with 'garage K' for a service on 25 November 2021 when it was damaged in an accident. Garage K said it would ensure the damage was repaired. Ms C informed One Insurance. She didn't make a claim initially, but as the garage's insurer didn't contact her as promised, she contacted One Insurance again and was sent a claim form. One Insurance then instructed a repair network to appoint a garage and told Ms C the car would be uplifted from garage K and taken elsewhere on 1 December 2021.

Garage K provided Ms C with a hire car from 3 December 2021. Ms C says the repair network told her the car was with another garage at that point, but when she called that garage it wasn't there. She was told it was with yet another garage on 7 December 2021, but it wasn't there either. The repair network then said it had faced problems in placing the car with three garages, due to a lack of capacity. Ms C made a complaint to One Insurance when she found the car was still with garage K on 10 December 2021. And a week later, she asked it again about the car being removed from there, as garage K wouldn't give her its insurer's details. One Insurance suggested she should contact the police.

One Insurance later accepted that there were delays in trying to instruct a suitable garage initially. But it said it had offered to refer Ms C to 'firm W' on 1 December 2021 (before instructing the repair network). It said she could have had a like-for-like replacement car through that firm. One Insurance also said garage K had refused to co-operate with it, so the car couldn't be collected by its agents. In its final response letter in January 2022 One Insurance apologised for the initial delays and offered Ms C £100 compensation. It said it would advise her of any progress with the claim. Ms C got a call from it on 3 February 2022, confirming that she'd be updated if there was anything to report.

Ms C replied to One Insurance's final response letter to say that she'd never been offered the services of firm W, and that her replacement car was provided through garage K. She said the police had told her the issue with firm K was a civil matter, and that she should get a legal representative - which she did.

Meanwhile, on 3 February 2022 One Insurance contacted 'insurer N' (which garage K had said was its insurer). But insurer N said it had only insured garage K until 2016. One Insurance then called garage K again. It wouldn't comment about its insurer, but it referred One Insurance to a repairer ('garage H'). Garage H wouldn't comment about the insurer either. One Insurance's advisor informed Ms C of all this. She said her solicitor had established that garage H would be doing the repairs. One Insurance finally closed the claim on 6 April 2022 as '*notification only*' due to the lack of co-operation from garage K.

One of our investigators reviewed Ms C's complaint. She thought One Insurance had delayed in contacting insurer N initially and hadn't ensured the car was taken elsewhere for

repair. As she thought it had failed to progress the claim, she said it should pay Ms C £250 compensation in total for distress and inconvenience.

Ms C then said she hadn't been paid the promised £100 by One Insurance, but that insurer N had paid her compensation. She also said that in March 2022 One Insurance had promised to refund some of her insurance premiums, but that it hadn't done so. One Insurance repeated that it had offered Ms C £100 for the initial delays in instructing a garage, but that garage K's lack of co-operation meant it couldn't collect her car. One Insurance said it shouldn't have to pay further compensation for something that was outside its control.

As there was no agreement, the complaint was passed to me for review. I issued a provisional decision, as follows:

Garage K and insurer N

In my opinion, it's fair to say that garage K is responsible for most of the distress and inconvenience Ms C had to face. Not only did it damage her car in the first place, but it then failed to co-operate fully, either with Ms C or with One Insurance.

Ms C told us that garage K had promised to deal with the incident from the start - and that its insurer would be providing the cover for that. It's unclear what transpired between the garage and its insurer over the next few months. But Ms C told us recently that insurer N contacted her 'out of the blue', in March 2021 to say the car was a write-off.

Although she got no paperwork from insurer N, she says she was paid £11,508.40 in April 2022. She says that sum included an amount to compensate her for the first week after the accident, when she was without a car and was unable to work. Meanwhile, Ms C had been provided with a replacement car through garage K from a week after the accident.

From Ms C's account, I think garage K and insurer N eventually covered all aspects of her claim. Meanwhile, garage K's lack of co-operation (plus, according to the garage, insurer N's instructions – see below) meant One Insurance was unable to take the claim over.

One Insurance's contact with garage K and insurer N

The notes on One Insurance's file show that it contacted garage K in December 2021 by phone and by email to get its insurer's details, but garage K didn't respond. It wasn't until January 2022 that it told One Insurance that insurer N was providing cover – and that insurer N hadn't given authority for it to release the car to One Insurance's repairers.

When One Insurance contacted insurer N, it said cover for garage N was only in place until 2016. So One Insurance contacted garage K again - but struggled to get a straight answer from it. Eventually, One Insurance was given garage H's details. Garage H said insurer N was covering the cost of repairs – which conflicted with what insurer N had said. So One Insurance asked for a claims or job reference number, which the garage refused to provide.

As garage K told One Insurance it couldn't release the car - and that insurer N had made that decision - but insurer N said it wasn't providing cover to garage K - I'm not sure what else One Insurance could have done at the time. I think it tried to deal with insurer N, within a reasonable time of finding out that it was garage K's insurer.

In my opinion, the delay in writing the car off and paying Ms C for it was due to garage K and / or insurer N. Garage K knew what the damage to Ms C's car was in November 2021 and said it had reported the matter to its insurer. It isn't at all clear why it took a further five months for garage K's claim on its insurance to be finalised.

Ms C's solicitor

Ms C thinks her solicitor was instrumental in moving matters on, but I've seen no evidence of that. We asked her to clarify exactly what the solicitor had done. She said he'd called garage K, but it wouldn't take the call. So he called insurer N, which in her view 'got things moving', although it isn't clear how. A note on One Insurance's file on 3 February 2022 says Ms C told it she'd instructed a solicitor and that he'd called garage K and insurer N. The note says the solicitor got the same response from them as One Insurance had got. And it seems her solicitor was given inaccurate information (as was One Insurance). He too was told that garage H would be repairing the car, which wasn't the case.

I don't think Ms C has shown that her solicitor did anything One Insurance didn't do, or that his calls moved matters on. It was several months after the calls to garage K and insurer N from One Insurance and from Ms C's solicitor before the matter was finally resolved.

Other issues

We asked One Insurance recently about the £100 it had offered to pay Ms C. It said it hadn't been able to do so as it didn't have her bank details. We also asked it whether it had offered to return some of the annual premium to her, as she'd suggested. One Insurance said it hadn't. It said Ms C's broker had told her it would ask about a refund, as the car wasn't with Ms C for the last few months of the policy year. But One Insurance said the policy was in place for the full year, so no refund was due. I think that was reasonable, especially as a claim on the policy was made and One Insurance incurred work as a result.

In terms of the offer of using firm W, Ms C says it was never made. But One Insurance's file notes show that on 1 December 2021 it made the offer to Ms C, and she accepted it. We asked One Insurance what happened to the referral to firm W, which it hasn't been able to explain. But as firm W would only have offered hire to Ms C – and garage K provided hire to her instead from 3 December 2021 - I don't think Ms C lost out by the referral not being pursued.

In summary

I can see why Ms C became distressed and frustrated by everything that happened after garage K damaged her car. But in my opinion, it was for firm K and its insurer to put matters right, or for it to co-operate fully with One Insurance in dealing with the claim. Although garage K provided car hire to Ms C – and its insurer compensated her for the week she was without a car – the long delay was in paying her for the car's total loss is something only garage K and insurer N can explain to Ms C.

I think One Insurance's offer of £100 compensation was reasonable. It was meant to compensate Ms C for the delay and poor communication around instructing a network garage, plus the problems having the car removed from garage K. But it seems that One Insurance didn't pay the £100 compensation, and there's nothing on the file to show that it asked Ms C for her bank details in order to do so.

There's also nothing to show that One Insurance contacted Ms C about the referral to firm W after she'd accepted its services. And I don't think One Insurance has shown that it gave her regular updates about the issues it was having in moving the complaint forward. I think that led to confusion and frustration on her part – plus the need to contact One Insurance more than should have been necessary.

Taking everything into account, I'm minded to conclude that it would be fair and reasonable for One Insurance not only to pay Ms C the original £100 it offered her for distress and inconvenience, but also for it to pay her a further £100 for other poor communication.

I asked the parties to comment on my provisional findings. Ms C said all the issues had been covered. One Insurance accepted the findings and said it would pay the compensation when it received Ms C's bank details.

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 neither of the parties disagreed with my provisional findings, there's no reason to depart from them, so, for the reasons set out above, I'm upholding some aspects of Ms C's complaint.

My final decision

My final decision is that I uphold this complaint in part. I require One Insurance Limited to pay Ms C £200 compensation in total for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 1 February 2023.

Susan Ewins

Ombudsman