

The complaint

Mr H is unhappy that Accredited Insurance (Europe) Ltd declined a claim made under his motor insurance policy. He is also concerned with the time taken to progress his claim.

References to Accredited Insurance include its representatives.

What happened

Mr H has explained that his car was stolen from outside his mother's house, on 28 March 2022. On finding out that his car was stolen Mr H said he contacted the police and reported the theft. And then contacted his motor insurer, Accredited Insurance, to make a claim for his loss.

Accredited Insurance appointed a loss adjuster, whom I'll call L, to assist it with validating the claim. As L was acting on Accredited Insurance's behalf, it accepts responsibility for its actions too.

L interviewed Mr H on 4 April 2022 about the loss. And then on 5 April 2022 asked Mr H for some information, including an image of Mr H's car key. After this, Mr H said he heard a nothing more about his claim, until 20 June 2022, when he was written to by L. L asked a number of questions – including an explanation of why Mr H's documents provided different addresses to the address his policy was under. And it asked Mr H to send it his car key. Mr H sent the car key to off to L, as requested.

Following this, Mr H raised a complaint with Accredited Insurance, about the time it was taking to deal with his claim. Accredited Insurance provided a response to Mr H's complaint – and said that delays in progressing the claim had been as a result of Mr H not providing information that had been requested of him. Accredited Insurance said once it had the requested information, it could move the claim forward.

Mr H didn't agree with this. He said he had provided information he had been asked to give – including providing his car key when he was asked for it.

On 25 August 2022, Accredited Insurance came to a decision on Mr H's claim. It declined it. Accredited Insurance said that the key Mr H had provided for his stolen car was the wrong one. It said that the specification of Mr H's car meant that a standard remote flip key, which was cut and coded, would have been the right key for the car. But that Mr H had instead provided a proximity fob, which was the incorrect model type to work with the vehicle. Accredited Insurance said that because the incorrect key had been given, the claim was declined.

Mr H didn't agree this was fair. He said that the key he had provided to be assessed was the one he was given when he purchased the car, and he had been using it with the car ever since.

Mr H's complaint about both the progress of his claim, and the decline of it, were referred to this service for an independent review.

Our investigator considered this complaint and didn't think it should be upheld. The investigator said it was reasonable for Accredited Insurance to rely on the report it had gained about the key – and it not being the right one for the car. And that when Accredited Insurance didn't receive sufficient answers as to why the key provided wasn't the right one, it was entitled to decline the claim.

The investigator acknowledged that there was around a two-month delay in the progression of the claim – because Mr H was being written to at the wrong address, despite him having updated his address details. But they didn't consider Accredited Insurance needed to take any further action in relation to this – because they considered the delay had minimal impact, and the claims decision would have remained the same.

Mr H didn't agree with our investigator's outcome.

Mr H also raised with this service that he had been trying to get his car key back from Accredited Insurance and its appointed representatives. But hadn't been successful. Mr H said he wanted the key back to take it for diagnostic tests, to show the key was the one he had been using in his car.

Mr H also said the delays with his claim had impacted him, with the situation causing his mental health to suffer. Mr H has also noted that because he didn't have his car, he wasn't able to get to work, and therefore lost a job.

Because Mr H didn't agree, this complaint has been referred to me to decide.

I issued a provisional decision on this complaint. In this I said:

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

Having done so, I'm intending on upholding Mr H's complaint in part, and requiring Accredited Insurance to pay Mr H £100 compensation.

When considering complaints such as this, I need to consider the relevant law, rules and industry guidelines. The relevant rules, set up by the Financial Conduct Authority, say that an insurer must deal with a claim promptly and fairly, and not unreasonably decline it. So, I've thought about whether Accredited Insurance acted in line with these requirements when it handled and declined to settle Mr H's claim.

I think that Accredited Insurance could have dealt with Mr H's claim more efficiently in some places. But I don't think it's decline of Mr H's claim in August 2022 was unreasonable. I've explained my thoughts regarding both elements below.

Decline of claim

Mr H's policy requires Mr H to give Accredited Insurance all the information and assistance it requires when dealing with a claim. But Accredited Insurance isn't satisfied that Mr H has done this, because it says it hasn't been given the correct key for the stolen car. Accredited Insurance has also declined the claim at this stage, on the basis that the key was the wrong one. So, I've thought about whether Accredited Insurance has acted fairly here. And I think it has.

Accredited Insurance asked Mr H for his key, for it to assess this. Mr H did send this when he received a letter on 20 June 2022 asking him for this. But the expert who completed the key report raised queried about the key provided.

On looking at the report the expert said the key provided for the car was an incorrect model. It said the fob supplied by Mr H was a proximity fob. But the vehicle specification states the key would be a standard remote flip key. They said that the stolen vehicle has a key blade ignition system, meaning a cut and coded flick key was needed to allow ignition to activate, and the vehicle to start. It said the fob provided is the incorrect model type to work with the vehicle. And therefore, the original key/s were missing.

As the report was detailed, and persuasive in noting the key was the wrong one, I don't think Accredited Insurance acted unfairly in declining the claim at this stage. It acted based on the evidence it had – and without the correct key – couldn't progress the claim. So, I'm satisfied Accredited Insurance didn't act unfairly by taking the decision to decline the claim, on the basis of the information from the expert report.

Mr H has said that the report from the expert wasn't impartial, because it was commissioned by Accredited Insurance. But it isn't unusual for an insurer to appoint a firm with the relevant expertise to review things such as this. The report provided by the report is reasonably detailed and is persuasive. And I haven't seen that Accredited Insurance had any reason to doubt the contents of the report when provided with it.

Mr H has said that he would like to take the car key for diagnostic tests himself, to evidence that the key was the one used in the stolen car. When considering this complaint, I've only considered what happened up until the point Accredited Insurance declined Mr H's claim, to decide whether it made a reasonable decision there. I'm not able to consider things that haven't happened as yet. So, this doesn't change the outcome of this complaint.

But it's my understanding that Mr H has now been sent his car key back. So, it is Mr H's decision as to whether he would like to get a diagnostic report or not. Mr H would need to provide any new information to Accredited Insurance to consider, to see whether it changed the outcome of his claim.

Accredited Insurance has also raised other queries with Mr H, in relation to his address at the time of the loss. And in its final response letter, dated 25 July 2022, Accredited Insurance said Mr H hadn't provided the information it required. I can see Accredited Insurance did email Mr H on 19 July 2022 and asked how he was living at the policy address some 2.5 weeks after the land registry shows the property had been sold. And it asked where Mr H was staying, and why the insurer had not been informed of that before, if Mr H wasn't staying at the address originally on the policy.

On other occasions it asked Mr H why his driving licence detailed a different address to the original one on the policy. And why the V5 document for the car noted a third, different, address still.

Based on the information I've been provided with; I can't see that Mr H has fully answered these queries, and I'm satisfied it was reasonable for Accredited Insurance to seek further clarification. So, I don't find Accredited Insurance has acted unfairly in this respect either.

Handling of claim

Mr H has said that Accredited Insurance has handled the progress of his claim poorly. He's noted that matter has been delayed – with him needing to chase up the progress of his claim too. So, I've looked at this. And I do agree there was some avoidable delays in the claim's progression.

When Mr H first registered the claim, it was dealt with promptly. But there was around a two-month delay in the claim moving forward, due to L writing to Mr H at the wrong address. Mr H had updated his address details in early April 2022. And it wasn't until June 2022 that Mr H was written to at the correct address, with requests for him to provide information – including the vehicle key.

I can see that Mr H did call Accredited Insurance in May 2022, to ask for an update on his claim. But he wasn't told that it was waiting for information from him, or what this was. Instead, it simply told Mr H that its underwriters were considering the matter. I think if Mr H had been written to at the correct address, and then been provided with sufficient clarification in May 2022, his claim would have moved forward more promptly.

After Mr H sent the key in, as requested in June 2022, the claim then proceeded promptly, with Mr H's claim being declined in August 2022, after a key report and further interview.

But given the above delays, I think it's likely Mr H could have been given the outcome of his claim two months earlier, if the avoidable delays hadn't happened. So, I've thought about whether there is anything Accredited Insurance need to do, to put things right.

I do think it should provide Mr H with compensation for the delay. And I think £100 is a fair and reasonable figure for this. I say this because I think it fairly recognises that there were two additional months where Mr H didn't know what was happening with the claim, and whether it was going to be accepted or not. And he has explained this was distressing for him.

Mr H has also noted that he lost work as a result of not having a car. But, as I don't think Accredited Insurance did the wrong thing in declining Mr H's claim, I don't require Accredited Insurance to do anything more in respect of this. Mr H not having a car (which was only covered for social, domestic and pleasure purposes) was as a result of it being stolen, not Accredited Insurance's actions."

Neither party responded to my provisional 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.

Having done so, I've decided to require Accredited Insurance to pay £100 compensation. But I don't require it to do anything more.

There hasn't been any further comments or evidence from either party, to alter my findings on this complaint, or the reasoning for it. And so, my decision remains the same as that in my provisional decision, and for the same reasons.

My final decision

Given the above, my provisional decision is that I intend on requiring Accredited Insurance (Europe) Ltd should pay Mr R £100 compensation. I don't require Accredited Insurance to do anything more than that, in relation to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 27 March 2023.

Rachel Woods
Ombudsman