

The complaint

Mr B complains that Accredited Insurance (Europe) Ltd incorrectly registered a fault claim against him on an external database.

What happened

Mr B had car insurance which was underwritten by Accredited. In September 2021 Mr B contacted Accredited as he had overfilled the engine oil in his car and wanted to enquire about making a claim. He was told it wouldn't be covered so he took it no further.

In August 2022 Mr B complained as he had taken out insurance with a different insurer and he'd been notified his policy was to be cancelled as he hadn't declared a fault claim from September 2021. He informed his broker who checked the Claims and Underwriting Exchange (CUE). They found that there was an open fault claim registered and they contacted Accredited for Mr B.

Accredited subsequently had the marker changed to show the claim was non-fault and had been withdrawn. It also provided a letter to Mr B to confirm this change and that his no claims bonus was unaffected.

However Mr B was unhappy with this and complained to Accredited and to the broker. Accredited didn't respond to his complaint in the required time so he brought it to this service to investigate.

Our investigator considered the issues but didn't recommend the complaint be upheld. She said that Accredited had initially recorded the claim incorrectly on CUE and had taken around a month to fix it when it was highlighted. She said this had caused Mr B distress and inconvenience, particularly as his policy with a new insurer had been cancelled. She recommended it pay £200 compensation to apologise for this.

Mr B accepted our investigator's outcome however Accredited didn't respond. So the complaint has been passed to me to decide.

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.

It's the underwriter's responsibility to ensure there is an accurate record of claims and notifications made on a policy recorded on CUE. Here, it's accepted that this didn't happen. Accredited incorrectly recorded Mr B's 'notification only' claim as a fault claim that was still open.

Due to this error Mr B has subsequently had his insurance policy with another insurer cancelled, as his account of past claims didn't match the record on CUE. This has caused Mr B the distress of having an insurance policy cancelled and the inconvenience of having to get the record amended through his broker.

Mr B has also explained that during this time he was dealing with a family bereavement and a recently diagnosed heart condition, so it would have been even more distressing to have to deal with the policy cancellation and additional contact with his broker to sort the matter out.

Accredited has now amended the record on CUE and has provided Mr B with a letter to confirm his no claims bonus and that the claim was withdrawn.

However as its initial mistake caused Mr B unnecessary distress and inconvenience, I agree with our investigator that Accredited should pay Mr B £200 compensation to apologise for this.

My final decision

For the reasons I've given, I uphold Mr B's complaint and direct Accredited Insurance (Europe) Ltd to pay £200 compensation.

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

Sophie Goodyear
Ombudsman