

The complaint

Mrs S complains about the service she received when she made a claim on her motor insurance policy with Premier Insurance Company Limited ('Premier').

Premier are the underwriters (insurers) of this policy. Part of this complaint concerns the actions of Premier's appointed agents. As Premier have accepted they are accountable for the actions of their appointed agents, in my decision, any reference to Premier should also be interpreted as referring to the actions of their appointed agents.

What happened

The background to this complaint is well known to both Mrs S and Premier. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

Mrs S had a motor insurance policy with Premier. In 2021 she was involved in an accident and claimed against her insurance policy. Premier accepted the claim, the car was deemed a total loss and offered Mrs S £6,500 to settle the claim. As Mrs S was unhappy with how long they took to deal with her claim and the general service provided – she raised a complaint.

Premier offered Mrs S £175 to recognise that things could've been handled better. Specifically, that there had been delays throughout the claim and periods where Mrs S wasn't kept updated on the claim. Mrs S remained unhappy and referred her complaint to our Service for an independent review.

Our Investigator considered the complaint and recommended that Premier increase their offer by £125. As Mrs S didn't accept the recommendation, the complaint has been referred to me for a final 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.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service.

As Premier have accepted that they let Mrs S down here, that things didn't happen as they should have and accepted our Investigator's recommendation - my decision will be limited to considering what Premier need to do to put things right here.

Whilst I recognise the frustration and annoyance Mrs S has been avoidably caused by Premier's actions, I've weighed this up against the overall impact on her. She fortunately had access to a hire car and although Mrs S has recently referred to the actions of the hire company not having a replacement (meaning she needed to work from home for a week) - I'm only considering the actions of Premier here and not any other third party business. In

the circumstances of this complaint, I find a total of £300 to be fair, reasonable and proportionate – relative to the impact of Premier’s actions on Mrs S.

I’ve also noted Mrs S’ unhappiness at having to continue to pay her insurance premiums after she made her claim. Whilst I can understand why Mrs S may feel this is unfair, I’m satisfied Premier acted in line with the policy terms and this would (generally) be the industry standard:

“If a claim has been made, or there has been an incident which may lead to a claim, no refund of premium will be given and all premiums would be due.”

Although Mrs S paid for this policy up front by way of a separate finance agreement with another business and the car had been written off - Mrs S still benefited from having the policy.

Putting things right

Premier Insurance Company Limited need to pay Mrs S an additional £125 to recognise the impact of their actions on her when handling this claim. This is in addition to the offer of £175 made in their final response letter. So, for completeness, Premier Insurance Company Limited need to pay Mrs S a total of £300.

My final decision

I uphold this complaint and direct Premier Insurance Company Limited to follow my direction as set out under the heading ‘Putting things right’.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs S to accept or reject my decision before 31 July 2023.

Daniel O’Shea
Ombudsman