

The complaint

Mr M complains about how Accelerant Insurance Europe SA/NV handled a claim made on his commercial motor insurance policy. He wants compensation for his loss of use, and its delays and errors.

What happened

Mr M's van was stolen, and he made a claim to Accelerant. Mr M was unhappy with its communication, errors, delays and claim handling. Accelerant apologised for its handling of Mr M's claim. But Mr M remained unhappy. He thought its errors and delays had caused him losses.

Our Investigator recommended that the complaint should be upheld. She thought Accelerant repeatedly got the policy excess wrong, incorrectly deducted VAT from the settlement and incorrectly told Mr M the settlement exceeded the policy limit. But she didn't think Accelerant was responsible for Mr M's loss of use or loss of earnings as it had provided a courtesy van in keeping with the policy's terms and conditions. And she didn't think Accelerant was responsible for any significant avoidable delays in settling the claim before Mr M bought a replacement van.

Mr M's van was then found, and Accelerant assessed it as a total loss. But the Investigator thought Accelerant had caused a delay in then paying Mr M his settlement and Mr M had to chase this. She thought Accelerant should pay Mr M £150 compensation for the trouble and upset caused by the earlier errors and this delay.

Accelerant agreed to do this. But Mr M asked for an Ombudsman's review, so his complaint has come 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.

It's now more than a year since Mr M's van was stolen. He has helpfully provided us with a detailed account of his claim experience. And I can see that this caused him frustration and inconvenience in getting things put right. I won't repeat here the timeline of events, as I can't see that they were disputed by Accelerant. But I will summarise where I think its service could have been better.

- Accelerant's communication with Mr M could have been better: it misspelled his name; it didn't take down his vehicle registration correctly; from what I can see it didn't send items to the correct address; and it didn't send Mr M's settlement to the correct account despite him providing the correct details for this.
- Accelerant repeatedly told Mr M, incorrectly, that his policy excess was £1,000 when it was £500. And then, when it sent him the final settlement, it still deducted £1,000 so that Mr M had to contact it again to have this corrected.
- Accelerant's engineer incorrectly deducted VAT from the initial settlement offers. Mr M had to explain to Accelerant why this was incorrect.

- After Accelerant had recovered Mr M's van from the police, it then took a week for it to declare the van to be a total loss and reiterate its settlement offer. I don't think that was unreasonable. But it then took over a month for the payment to finally reach Mr M. This was partly due to it not updating Mr M's account details. But it hasn't explained the further delay.

Mr M wanted compensation for his loss of use and loss of earnings caused by not having a courtesy van provided sooner and then the delays in the settlement. But I don't think this would be fair and reasonable. This is because I can see that the policy provides for a courtesy van to be provided for 14 days once the theft claim has been validated.

Accelerant took two weeks to validate the claim, which I think isn't unreasonable. Mr M then had the courtesy van for 14 days, in keeping with the policy's terms and conditions. Whilst Mr M was awaiting his payment, he had already bought a replacement. I accept that this needed repairs and wasn't immediately available to him. But I can't reasonably hold Accelerant responsible for this or his loss of earnings as this was Mr M's choice.

Mr M said he'd bought a cheaper van as he was uncertain of Accelerant's final settlement. But I can see that he bought the replacement on the same day that Accelerant agreed to pay him £10,500. So I can't say that Accelerant's errors caused Mr M to buy a cheaper van.

Considering the points where I think Accelerant's service was lacking, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the errors had on the consumer.

Mr M has received his settlement payment following the valuation of his van. From what I can see, this wasn't made entirely in keeping with our approach as Accelerant relied on a policy indemnity limit when the policy provides for the van's market value in the case of its total loss. But I'm satisfied that this hasn't caused Mr M any loss as the final settlement was in the range of the valuations provided for the van in the motor trade guides we use. So I'll not consider that further here. And I think this settlement has restored Mr M's position.

In terms of impact, Mr M has been put to trouble and inconvenience over three months by Accelerant's errors. These have caused him frustration and stress. And he's had to spend time trying to contact Accelerant's case handlers to correct its error when this shouldn't be needed. Accelerant agreed to pay Mr M £150 compensation for this impact. I think that's fair and reasonable as it's in keeping with our published guidance for this level of impact. I don't require Accelerant to increase this.

Putting things right

I require Accelerant Insurance Europe SA/NV to pay Mr M £150 compensation for the distress and inconvenience caused by its level of service, as it's already agreed to do.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require Accelerant Insurance Europe SA/NV to carry out the redress set out above, as it's already agreed to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 30 May 2023.

Phillip Berechree
Ombudsman