

## **The complaint**

Mr C complains about Skyfire Insurance Company Limited and the progression of the claim he made on his motor insurance policy. Mr C also complains about Skyfire's failure to keep him adequately updated.

## **What happened**

Mr C purchased a motor insurance policy through an intermediary, who I'll refer to as "F". The policy itself was underwritten by Skyfire, through their role as the policy insurer.

Unfortunately, in June 2022, Mr C's car was stolen. So, he contacted F to claim on his insurance policy. As F were acting as an agent of Skyfire when administering the policy, Skyfire are responsible for the actions of F, and the way the claim was managed as a whole. So, I will refer to any actions taken by F as though they were made by Skyfire throughout the decision.

Mr C's car was recovered 3 days after he reported the claim stolen. So, Skyfire arranged for the car to be collected and inspected by a third party, who I'll refer to as "B". Following this inspection, Mr C's car was deemed to be a total loss. So, following this information, Skyfire took steps to validate the claim before issuing a settlement, asking B to compile a report. But this validation took some time to complete, and Mr C was unhappy about this. So, he raised a complaint in November.

Mr C was unhappy with the length of time it had taken to progress his claim and he was unhappy that he remained without a settlement for his stolen car. Mr C also complained about the lack of updates he felt he'd been provided by Skyfire during this process. So, Mr C wanted Skyfire to issue a settlement as soon as possible, as well as compensation for the stress he'd been caused and the financial loss he felt he'd incurred.

Skyfire responded to the complaint in December and didn't uphold it. They explained that B had yet to finalise their report. And they felt they were entitled to ensure any theft claim was investigated and validated, which may take time to complete. So, Skyfire didn't think they had done anything wrong and because of this, didn't offer to do anything more. Mr C remained unhappy with this response, so asked our service to investigate the complaint.

Our investigator looked into the complaint and upheld it. They thought Skyfire had progressed the claim fairly and they didn't think there were any avoidable delays that had caused the claim to remain open for as long as it had. But they didn't think Skyfire had been proactive in providing Mr C with updates, and they recognised this had caused Mr C to chase for updates himself. So, our investigator thought Skyfire should pay Mr C £100 to recognise the upset their failure to update him would've caused.

Skyfire accepted this recommendation. But Mr C didn't. Mr C remained unhappy that his claim remained open, and he still hadn't received a settlement for his stolen car several months later. Mr C wanted our service to direct Skyfire to settle the claim and was unhappy our investigator hadn't done so in their recommendation.

Our investigator replied to Mr C's concerns, explaining their investigation had only considered Skyfire's actions up until the date of their complaint response in December 2022. So, any issues Mr C had regarding Skyfire's service would need to be addressed separately. And our investigator's view remained unchanged, recommending Skyfire pay Mr C £100 for the lack of updates. Mr C continued to disagree and so, the complaint has been passed to me for a 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'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

I note Skyfire have accepted they could've done more to proactively update Mr C during the claim process. As this error has been accepted, I don't intend to discuss the merits of this in more detail. I will discuss what I think Skyfire should do to recognise this later within this decision.

Instead, I've focused on the main area of dispute which relates to the progression of Mr C's claim, and the fact it remains ongoing.

I recognise Mr C is unhappy that he is yet to receive a settlement for his stolen car. And I appreciate why Mr C feels our service should assist him in ensuring the claim is settled, and a payment received.

But it's not our service's role to handle Mr C's claim. Nor are we able to direct a business such as Skyfire to settle a claim if they feel validation is still required. It is our service's role to consider whether the actions Skyfire have taken have been fair and reasonable, up until the date of Skyfire's response to Mr C's complaint. So, I've only thought about Skyfire's actions up until December 2022. I'm unable to consider any events that have taken place after this date as before our service can consider these, Skyfire must be given a chance to investigate Mr C's concerns about this within their own complaints process.

And after considering the actions Skyfire have taken up to December 2022, using Skyfire's claim notes and communications to B and other parties, I don't think I can say there have been any avoidable delays that satisfy me Skyfire have progressed the claim unfairly or unreasonably.

While I do recognise the claim has taken a significant amount of time, I'm satisfied this has resulted from Skyfire's attempts to validate the claim, which has been impacted by the complexity of the checks B have completed. And I think Skyfire are entitled to validate any claim they receive, to ensure any settlement provided is correct and within the terms of the policy they provide.

I've seen Skyfire have chased B for updates on several occasions and where necessary, they have requested further information from various parties, including Mr C. I don't think there have been any extended periods of time where the claim was awaiting action from Skyfire before being able to proceed and so, I don't think I can say Skyfire have acted unfairly regarding this aspect of the complaint.

I also note that although Mr C was only entitled to a hire car for a 28-day period, Skyfire

agreed to arrange for a hire car to be provided in addition to this to acknowledge Mr C's personal circumstances and the health of his child. I think this shows Skyfire acting both fairly and reasonably in an attempt to minimise the inconvenience caused to Mr C.

I've then turned back to Skyfire's failure to update Mr C and thought about what I think they should do to put things right regarding this aspect of the complaint.

### **Putting things right**

Any award or direction I make is intended to place Mr C back in the position he would've been, had Skyfire acted fairly in the first instance.

In this situation, had Skyfire acted fairly, I think they would've been more proactive in providing Mr C with updates during the claim process. And, while I don't think this would've led to the claim being progressed any quicker, I think it would've reduced the level of anxiety and frustration Mr C would've felt. I think Skyfire providing more proactive updates would've stopped Mr C needing to chase them himself, which I recognise would've been inconvenient for Mr C. And had Mr C received proactive updates, I think he would've had a better understanding of his claim position and in turn, I think it's likely he would've felt more reassured that the claim was progressing as it should.

Our investigator recommended Skyfire pay Mr C £100 to recognise this impact, which Skyfire has accepted. And I think this award is a fair one that falls in line with our service's approach and what I would've directed, had it not already been put forward. So, I think Skyfire should pay Mr C £100 to recognise the impact their failure to update Mr C caused.

### **My final decision**

For the reasons outlined above, I uphold Mr C's complaint about Skyfire Insurance Company Limited and I direct them to take the following action:

- Pay Mr C £100 to recognise their failure to provide adequate updates during the claim process.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 June 2023.

Josh Haskey  
**Ombudsman**