

The complaint

Mr H complains that QBE UK Limited mishandled his claim on his minibus insurance policy.

What happened

The subject matter of the claim and the complaint is a minibus, first registered in 2012.

By September 2021, Mr H had acquired the minibus for his business as a taxi driver.

For the year from mid-October 2021, Mr H had the vehicle insured on a comprehensive policy with QBE. Any claim for damage was subject to an excess of £500.00.

In late April 2022, the minibus passed an MOT test with a recorded mileage of about 30,000.

Unfortunately, in mid-September 2022, Mr H reported to QBE that a third party had caused accidental damage to the front bumper of the minibus.

Much of the complaint concerns acts or omissions of QBE's accident management partners. Insofar as I hold QBE responsible for them, I may refer to them as acts or omissions of QBE.

In late September 2022, Mr H complained to QBE that it wouldn't replace the bumper and hadn't communicated with him.

In late October 2022, Mr H complained to QBE that it hadn't done enough to establish that the third party was liable.

By a final response dated 22 November 2022, QBE upheld his complaint about communication.

Mr H brought his complaint to us in mid-December 2022. His complaint form included the following:

"All I am asking for is to repair my vehicle back to how it was."

In December 2022, QBE wrote a further final response.

In late January 2023, Mr H complained to QBE that it had unfairly increased his premium.

In February 2023, QBE wrote a further final response.

By about late March 2023, QBE had paid to replace the bumper (save for the excess).

Our investigator recommended that the complaint should be upheld. He thought that QBE should've replaced the bumper sooner. He recommended that QBE should pay Mr H £150.00 in compensation.

Mr H disagreed with the investigator's opinion. He asked for an ombudsman to review the complaint. He says, in summary, that:

- The accident damaged his left hand.
- He never refused to pay the excess.
- The insurance was due for renewal in October 2022. He was charged extra due to the accident.
- QBE was responsible for delay in contacting the third party.
- There was no offer of a vehicle while his was being repaired.
- He was without use of the minibus, missed working and lost money until late March 2023.
- He paid the excess without question.
- This has made him ill.
- The compensation should be more.
- He has appointed a solicitor to pursue an injury claim.
- We should look into his complaint against the police.

QBE also disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. It says, in summary, that:

- Mr H was offered a commercially sound repair early on in his claim, which was delayed by him, due both to not wanting to pay his excess, and also due to his disbelief that the repair would be satisfactory.
- The full bumper replacement was only authorised as a gesture of goodwill to prevent further complaints and protracted claims negotiations, as Mr H was in constant communication with the claims teams. The full bumper replacement was betterment, as his vehicle had substantial visible wear and tear.
- Had QBE been given the opportunity to conduct the repairs when it was initially offered, there would have been no delays in settling the claim, and the uninsured losses could have been more proactively pursued much earlier.
- Mr H confirmed that his vehicle was still roadworthy and was being used for social and domestic use. Mr H has not sent in any evidence that he reported the accident to the council, or that his vehicle was deemed unfit for private hire. Any claim for loss or earnings should be considered as part of the uninsured loss recovery claim, which is ongoing.

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.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. We deal with an individual consumer's complaint about regulated financial activities by a regulated financial firm. We have no jurisdiction to investigate complaints against any other organisation such as a police force.

QBE's policy terms included the following:

“Section 7 – Loss or damage to your vehicle

...

7.3.14 Wear and tear - This section does not cover wear and tear or depreciation or that part of the cost of repair which improves your vehicle beyond its condition at the time of the loss or damage.”

So the policy didn't cover “betterment”.

From a review of the call recordings, I find that Mr H questioned why he should pay an excess on a claim that wasn't his fault. However, I accept that he never refused to pay the excess.

From a review of its claims file, I'm satisfied that QBE contacted the third party's insurer reasonably promptly and continued to chase a response.

I haven't seen enough evidence to show that Mr H was correct in his belief that – when he first made the claim - QBE was offering a form of repair that would inevitably lead to a mismatch of colour. In any event, I don't consider that QBE was obliged to repair the left side of the bumper in a way that matched the appearance of the right side insofar as that was caused by ageing. In my view, that was betterment.

I have no reason to doubt Mr H's statement that he was injured in the accident, and he became unwell in the months that followed. However, I haven't seen enough evidence to show that QBE was responsible for causing him ill-health.

In late January 2023, QBE approved an estimate for the replacement of the bumper. And a repairer finished that work by late March 2023. Mr H and our investigator considered that QBE should've arranged this sooner.

However, QBE had offered a reasonable form of repair at a much earlier stage and Mr H refused to permit it. So I don't hold QBE responsible for the delay until late March 2023.

The renewal and the new premium took effect from early October 2022. Mr H didn't include a complaint about that when he brought his complaint to us in mid-December 2022.

Nevertheless, QBE's final response in February 2023 said that (notwithstanding that Mr H had a protected no-claims discount) the premium was affected by the open claim until such time as it was resolved in Mr H's favour. I don't find that unreasonable.

I haven't seen enough evidence to show that QBE should've offered Mr H a courtesy vehicle. I haven't seen enough evidence to show that Mr H was unable to use the minibus for work while it had a damaged bumper. So I don't find it fair and reasonable to direct QBE to pay compensation for any loss of earnings.

QBE has acknowledged some shortcomings in its communication with Mr H. I accept that he felt it necessary to make repeated contact with QBE.

I conclude that – by shortcomings in its communication – QBE caused Mr H some extra distress and inconvenience at an already difficult time.

Putting things right

Keeping in mind our published guidelines, I consider that £150.00 is fair and reasonable compensation for such distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct QBE UK Limited to pay Mr H £150.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 September 2023.

Christopher Gilbert

Ombudsman