

The complaint

Miss L complains that One Insurance Limited mishandled a claim on her motor insurance policy.

What happened

Miss L had a sports utility vehicle. For the year from late August 2021, Miss L had the car insured on a comprehensive policy branded with the name of an insurance intermediary or broker. The policy schedule said that she had 9 years' no-claims discount ("NCD").

One Insurance was responsible for dealing with any claim. Any claim for accidental damage (except to a windscreen) was subject to a policy excess of £250.00.

Unfortunately, in mid-June 2022, Miss L reported that the driver of a police van had reversed into her car and admitted responsibility for causing damage to it. A police sergeant had attended and given her an email address and an incident number.

One Insurance treated the claim as a fault claim against Miss L's policy.

From early July 2022, One Insurance arranged repair and a courtesy car for Miss L. She paid the policy excess of £250.00. In mid-July 2022, she got her car back after repair.

In late July 2022, Miss L complained to One Insurance about delay in contacting the police to seek an admission of liability and so recover its outlay and her excess.

From mid-August 2022, One Insurance started to send emails to the police.

By a final response dated late August 2022, One Insurance accepted that it had failed to actively pursue the police for information. It apologised for any distress and inconvenience this caused and offered £150.00 compensation. One Insurance asked for Miss L's bank details, but she didn't accept the offer.

From late August 2022, the policy with One Insurance expired and Miss L didn't renew it.

Miss L brought her complaint to us in early November 2022.

our investigator's opinion

At first, our investigator didn't recommend that the complaint should be upheld. She didn't think that One Insurance had acted unfairly. She said that One Insurance made a mistake and offered appropriate compensation for this.

Miss L disagreed with the investigator's initial opinion. In December 2022 she contacted the police and in late January 2023, she obtained the registration number of the police van and the police crash report number. Our investigator told One Insurance that information.

By an email in early March 2023, the police told Miss L that One Insurance was not using the

correct channels. Our investigator changed her view. She recommended that the complaint should be upheld in part. She thought that One insurance hadn't handled this claim well, and continued to cause Miss L distress and inconvenience. The investigator said that Miss L had gone to more than a reasonable effort to provide the correct information to One Insurance who hadn't acted upon it.

The investigator recommended that One Insurance should:

1. compensate Miss L £250.00; and
- 2.1 contact the assistant police force solicitor on the email provided, to progress the claim to establish and agree fault and potential recovery of costs including Miss L's policy excess.
- 2.2 provide evidence of this to Miss L and the investigator.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Miss L and to One Insurance on 18 May 2023. I summarise my findings:

I didn't consider that the rules allowed me to uphold a complaint about events that happened after the complaint as it stood between late July and late August 2022 – or to direct One Insurance how to respond.

Rather, I'd thought about the impact on Miss L of the shortcomings I'd found in One Insurance's service before she complained in late July 2022. I didn't underestimate that impact. However, I considered that One Insurance's offer of £150.00 was fair and reasonable compensation in line with our usual approach to distress and inconvenience.

Subject to any further information from Miss L or from One Insurance, my provisional decision was to uphold this complaint in part. I intended to direct One Insurance Limited to pay Miss L (insofar as it hasn't already paid her) £150.00 for distress and inconvenience.

Miss L disagreed with the provisional decision. She says, in summary, that:

- One Insurance should've taken ownership from the start of her claim, but instead closed it as fault for her within 3 days of raising the claim, so had no intention of recovering costs with the third party's insurer.
- She provided the crime reference number when she logged her claim, including the vehicle registration number, but One Insurance chose to do nothing with the information.
- She was reversed into by the third party, who took full responsibility at the time for the accident, but she didn't receive any phone calls from One Insurance - it was her chasing them, including repairs which were originally said to be delayed until November 2022, but after she complained One Insurance found a garage to do the repairs needed.
- She has lost 9 years' NCD and is paying more for her insurance and feels this is wrong.

One Insurance hasn't responded to the provisional decision. But I consider that its offer of £150.00 still stands.

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. One of those rules means that – before we can investigate a complaint – the consumer must first have made that complaint to the business and waited for up to eight weeks for a final response.

It follows that we usually investigate the complaint points which the final response should've answered. And we usually have to deal with later complaint points as a separate complaint.

An insurer will often make a financial outlay in settling its policyholder's claim, for example for repairs. Where an insurer has made such an outlay, it's common practice for that insurer to treat the claim as an open claim or as a fault claim against its policyholder, unless and until it recovers its outlay in full, typically from a third party's insurer.

Any claim, and especially a fault claim, is likely to increase the premium on the next renewal.

In my view, the incident with the police van and the need to make a claim were bound to cause Miss L some distress and inconvenience.

The excess was an uninsured loss. I don't consider that One Insurance was under an obligation to Miss L to pursue recovery of that loss on her behalf. So I don't find it fair and reasonable to direct One Insurance to compensate her for it.

I accept that One Insurance was responsible for a delay in contacting the police from mid-June to mid-August 2022. In my view, that caused Miss L to chase One Insurance for progress and updates. So it caused her some distress and inconvenience beyond that usually associated with an insurance claim.

However, a claim against a third party typically takes weeks or months. So it was likely that the claim would still be open – and would affect her premium - when Miss L needed to get insurance in August 2022. I can't say that One Insurance's delay in the summer of 2022 caused Miss L to pay a higher premium than if there had been no such delay.

The events after July 2022 didn't form part of the complaint to which One Insurance made the final response dated August 2022.

Nevertheless I note that from August to November 2022, One Insurance contacted and chased the police on the email address Miss L had provided. That email address didn't incorporate an individual's name but rather his badge number.

In early December 2022, Miss L sent an email to the individual's email address incorporating his name – and he replied.

It wasn't until mid-December 2022 that our investigator gave One Insurance that email address and One Insurance began sending email to that address as well as the one incorporating the badge number.

It wasn't until about 20 January 2023 that the police told Miss L the van registration, she told us, and we told One Insurance. A few days later, a police solicitor sent an internal email including the following:

“... all available documentation suggests we were at fault. Whilst I am not permitted to advise [Miss L], it does appear that she needs to take the matter up with her own insurers. I am content for you to provide her with a copy of this email to enable her to do so.”

This indicates that One Insurance has good prospects of success in its claim for its outlay and for any claim to recover the excess for Miss L. So it is disappointing that One Insurance hasn't responded to the investigator's changed opinion, and there's no evidence that it is progressing a claim against the police.

So I've thought about endorsing the investigator's recommendation for One Insurance to contact the police. and I've thought about going further by directing One Insurance not to record the accident in late June 2022 as a fault claim against Miss L.

However, I don't consider that the rules allow me to uphold a complaint about events that happened after the complaint as it stood between late July and late August 2022 – or to direct One Insurance how to respond. Miss L may make a separate complaint to One Insurance about such events.

Rather, I've thought about the impact on Miss L of the shortcomings I've found in One Insurance's service before she complained in late July 2022. I don't underestimate that impact. However, I consider that One Insurance's offer of £150.00 was fair and reasonable compensation in line with our usual approach to distress and inconvenience.

Miss L's response to the provisional decision

Miss L has said that she provided the crime reference number when she logged her claim, including the vehicle registration number.

However, I find that when she made her claim, Miss L hadn't got the registration number of the third party's vehicle. She didn't get it until late January 2023.

Miss L has said that One Insurance closed the claim as a fault claim against her within 3 days of raising the claim, so it had no intention of recovering costs from the third party's insurer.

However, I find that One Insurance couldn't do anything about recovering its outlay from the third party without the registration number of the third party's vehicle or details of its insurer. And I find that One Insurance didn't have such details until late January 2023.

Miss L has said that she didn't receive any phone calls from One Insurance - it was her chasing them, including about repairs. I accept her statement that she made that complaint to One Insurance on 29 June 2022.

However, I consider that One Insurance resolved that complaint the same day by booking her car in for repair on 4 July 2022 and arranging a courtesy car. I don't find One Insurance responsible for her travel costs in the meantime. And Miss L was also chasing One Insurance about contacting the police. I accept that in the week or so since the accident, One Insurance had caused Miss L irritation and waste of time chasing One Insurance. But I don't consider that One Insurance caused Miss L distress and inconvenience at a level that calls for compensation beyond the £150.00 that it offered.

Miss L has said that she has lost 9 years' NCD and is paying more for her insurance.

However, her complaint as it stood between late July and late August 2022 doesn't lead me to the conclusion that One Insurance treated her unfairly by treating the claim - at that stage - as a fault claim against her.

Putting things right

I find it fair and reasonable to direct One Insurance Limited to pay Miss L (insofar as it hasn't already paid her) £150.00 for 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 One Insurance Limited to pay Miss L (insofar as it hasn't already paid her) £150.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 10 July 2023.

Christopher Gilbert

Ombudsman