

The complaint

Mrs Y complains Skyfire Insurance Company Limited (“Skyfire”) has unfairly handled a claim under her motor insurance policy.

Any reference to Mrs Y or Skyfire includes respective agents or representatives.

What happened

The background of this complaint is well known by both parties, so I’ll summarise events.

- Following an incident in December 2022, Mrs Y made a claim under her motor insurance policy.
- In January 2023, Mrs Y delivered her vehicle to Skyfire’s approved repairer (Company A) and was told the necessary repairs would take two weeks.
- Mrs Y called Company A after a week or so and was told Skyfire had not authorised any repairs. And upon calling Skyfire, she was told Company A was no longer one of its approved repairers. Skyfire said a mistake on the part of its repair team led to the delay. But Skyfire arranged for Company A to still carry out the works.
- Mrs Y said the vehicle was repaired and collected in mid-March 2023. She complained, saying she’d had to make many calls for updates and to move the claim forward.
- The complaint was brought to this Service. Mrs Y asked for a refund of the policy premiums, compensation and additional costs related to petrol and parking.
- Our Investigator looked into things and upheld the complaint. Skyfire provided little information to this Service to consider so the assessment was largely based on Mrs Y’s submissions.
- The Investigator said Skyfire was responsible for the actions and work carried out by its repair team and approved repairer. So, she awarded £250 compensation for the distress and inconvenience caused by delays and poor communication. But she said Skyfire didn’t need to refund premiums as Mrs Y had received the benefit of the policy, and Skyfire wasn’t liable for additional petrol or parking costs.
- Mrs Y disagreed, and said the compensation was not sufficient. Skyfire responded to say it would follow the Investigator’s direction.

So, the complaint has been passed to me for an Ombudsman’s 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.

Having done so, I’m upholding this complaint. I’ll explain why.

- The dispute in this case is about Skyfire’s handling of Mrs Y’s claim. Skyfire will be

aware of its obligations to handle claims promptly and fairly.

- It's not in dispute that Mrs Y was told by Skyfire to deliver her vehicle to Company A. Nor is it disputed that delays occurred following this that related to Company A's status as an approved repairer.
- Skyfire seemingly attributed this mistake to its repairs team. But Skyfire is unable to distance itself from the actions of its own staff, agents or representatives. So, it's clear to me there has been a delay that was avoidable, and not the fault of Mrs Y. This satisfies me Skyfire hasn't handled this claim promptly or fairly.
- Mrs Y has asked for a refund of premiums. I don't think this would be appropriate here as the premiums represent payment for insurance cover – of which she has received. I think the appropriate remedy is to compensate her for the distress and inconvenience Skyfire has put her through, taking into account the additional time it took and unnecessary communication she had to engage in. And I'm satisfied a sum of £250 reflects the frustration Skyfire has caused her.
- Mrs Y has asked for additional petrol and parking costs to account for her time using the courtesy car. It's not unusual for policyholders to receive a courtesy car which isn't a "*like for like*" match of their own car and which may differ on fuel consumption. So whilst I recognise Mrs Y's frustration, in these circumstances and given the time periods involved, I'm not persuaded it's reasonable to direct Skyfire to cover additional petrol costs. And the frustration she's experienced in having to have the courtesy car for longer than anticipated is reflected in the award for compensation I've made above.
- With regards to the parking costs, this isn't a typical cost I'd expect an insurer to cover. But in any case, Mrs Y hasn't substantiated these and so I'm not persuaded that Skyfire reasonably should cover them.

My final decision

For the above reasons I'm upholding this complaint.

I direct Skyfire Insurance Company Limited to do the following:

- Pay Mrs Y £250 in compensation to account for its delays and poor handling of her claim.

Skyfire must pay the compensation within 28 days of the date on which we tell it Mrs Y accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Y to accept or reject my decision before 1 August 2023.

Jack Baldry
Ombudsman