

The complaint

Miss M has complained that the claim handler at Zurich Insurance PLC who has been dealing with her accident claim has not proactively moved matters forward. She is also dissatisfied in general with the handling of her claim made under her motor insurance policy.

What happened

I have previously issued a provisional decision regarding this complaint. The following represents excerpts from my provisional decision, outlining the background to this complaint and my provisional findings, and forms part of this final decision:

“Miss M was involved in a car accident with a third party in April 2022. She provided the claim handler at Zurich with dashcam footage he’d requested in May, but she says he then failed to respond to her questions about what would happen if her liability claim went to court. By late May, Miss M says she had become dissatisfied with the claim handler not responding to her questions or taking her calls, and she made a formal complaint.

On 20 July 2022, Zurich replied to this complaint, stating that it accepted its level of service had not been at the level it would expect. It offered £150 compensation.

Miss M continued to be concerned that the claim handler was not providing her with a consistent explanation about Zurich’s communication with the third party insurer (‘TPI’). She asked the claim handler for clarification on 18 August, but says she did not receive a response until 26 September. Miss M’s view was that the claim handler was not setting deadlines for the TPI to respond, and that this was delaying the settlement of liability for her claim. On 31 October the claim handler told Miss M that Zurich was going to commence legal proceedings against the TPI and keep her updated.

On 23 November, dissatisfied with the progress to date on her claim, Miss M brought a complaint to this service. She asked that Zurich consider passing her claim onto a different handler who she thought might be more proactive. Miss M requested compensation for distress caused, and she commented that receiving back the policy excess of £500 would be helpful in light of the current financial climate.

Whilst the above events relating to settling liability for the accident had been ongoing, Miss M had been in contact with Zurich via its live chat platform. During a live chat in October, a comment from Miss M had led to the Zurich representative suggesting Miss M had been rude about the claim handler who was dealing with the liability for the accident. Miss M was unhappy with aspects of this live chat exchange, and her comments at this time led to Zurich issuing a second formal complaint response, on 14 October.

Zurich’s 14 October email concluded that its representative on the live chat had not intended to offend Miss M with any of her comments. This email also considered progress on accident liability, and Zurich stated that its claim handler had been proactive in communications with the TPI. However, it accepted there had been delays responding to Miss M’s emails and keeping her up to date with the position on liability. It offered a further £75 compensation for its level of customer service.

In January 2023 our investigator issued an assessment of Miss M's complaint. Her view was that Zurich could have done more to update Miss M about the progress of her claim, but she felt the compensation offered was fair. The investigator also commented about the live chat in October, saying that she considered the Zurich representative had tried to assist Miss M to the best of her ability.

Miss M responded to say that we had not addressed the actual complaint she had brought to us. She said that the complaint she had referred to us did not include reference to the live chat in October, and she did not want us to look at that issue. Miss M explained that the complaint she had asked us to investigate related to the claim handler's actions when dealing with liability for the accident. She highlighted that this complaint was the one that Zurich had replied to in its response issued on 20 July 2022.

Further to this, Miss M said that the claim handler had repeatedly set deadlines when dealing with the liability dispute that he had failed to meet, and had not responded to her emails. In particular she said that the claim handler had refused to speak to her when she rang on 26 May 2022. Miss M stated that it was not correct to say that she had asked Zurich to refund her £500 excess. However, she commented that because liability had not been settled, she had not as yet had the excess refunded to her, despite the fact that she had dashcam footage of the accident. In her view, liability would have been agreed if the claim handler had stuck to deadlines he had set.

This complaint was referred for review by an ombudsman. Since I was passed the file, I have asked Zurich to provide further details from their file so that I can determine better how the claim relating to liability for the April 2022 accident has been handled.

What I've provisionally 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.

At the outset I should explain the parameters I have used when assessing this complaint. Firstly I acknowledge Miss M's comments that the complaint she brought to us did not include any comment about the live chat exchange that she had with Zurich in October 2022. Miss M has made it clear that she does not want this service to investigate the circumstances of this live chat, and so my provisional decision does not do so. However, because Zurich's 14 October complaint response email also commented on the progress of the claim relating to accident liability, I have considered that element of Zurich's email at that time.

In her complaint form completed for this service, Miss M expresses unhappiness with the actions of the claim handler Zurich appointed to deal with accident liability. She states that the claim handler did not proactively resolve this issue with the TPI, did not always respond to her questions, and did not keep her informed of the claim's status.

My understanding is that the issue of liability for the accident remains outstanding. That being the case, I need to consider over what period of time I should be assessing the handling of the liability claim under this complaint. Miss M referred her complaint to us on 24 November 2022. I have therefore assessed this complaint based on the events that occurred up to 24 November. If Miss M is unhappy with the subsequent handling of her claim after this date, she will need to raise her concerns directly with Zurich. If she is dissatisfied with its response, she is able to refer a separate complaint to this service about events that have occurred after 24 November.

I appreciate that in the course of making her insurance claim, Miss M provided significant amounts of information to Zurich about the accident. This included dashcam footage and descriptions of the incident. She is clear in her view that the third party was responsible for the accident, and I can see that Zurich has been corresponding with the TPI on the same stance. However, the TPI's response has been that it does not accept liability.

In light of Miss M's clear opinion on the blame for the accident, I consider that it is understandable why she expected liability to be determined quickly. If the TPI had agreed to accept liability when first receiving the details of the accident, it may well have been that Miss M would have received back her excess promptly. But, in situations where liability is disputed, unfortunately it is the case that it can take some time to resolve matters. I consider it's reasonable to take that into account when assessing how the claim was dealt with up to November 2022.

Miss M is particularly unhappy with the claim handler that Zurich appointed to deal with liability. Having considered the evidence provided, I agree that the claim handler could have kept Miss M better informed about the status of the claim during the period to November 2022. Miss M has also highlighted when the claim handler did not speak to her on 26 May 2022. But at the same time, the claim handler was progressing matters in his attempts to obtain an admission of liability from the TPI. I can see that Zurich has pointed out to Miss M that it is beneficial for all parties for liability to be settled without the need for litigation, as this helps to limit the costs incurred. In my view, that was a reasonable approach for Zurich to take.

Miss M suggested that it might be beneficial if the claim handler were to be removed from dealing with her claim. As I am only looking at the events up to November 2022, I have not considered which members of staff Zurich chose to handle the claim after this date. But in my view, there was not sufficient reason for Zurich to change the claim handler up to this date. Although Miss M would have wanted liability to have been agreed by this point, overall I consider the claim was being handled in a reasonable way. I'm also mindful that it was in Zurich's interests for liability to be settled promptly, as well as Miss M's.

In its complaint response on 20 July 2022, Zurich agreed that there had been an element of poor service to this point, and it offered £150 compensation. Its complaint response on 14 October acknowledged there had been delays keeping Miss M up to date on the progress of the claim, and in responding to her emails. A further compensation amount of £75 was offered, and it would appear to have been for these reasons, rather than in relation to the circumstances around the October 2022 live chat – which again, for the avoidance of doubt, I am not considering. In my view, considering the size of awards made by this service on complaints where similar problems have occurred, both the compensation amounts offered by Zurich fairly reflected the upset Miss M had been caused in this matter.

I appreciate Miss M is likely to be disappointed with my findings. However, my current view is that the compensation amounts offered by Zurich are a fair way in which to settle this complaint."

Responses to my provisional decision

Miss M said that she is happy with the findings I reached, though she had expected that Zurich would be advised to change its behaviours, in addition to having to pay compensation. She explained her main objective had been for Zurich to address its behaviours.

Zurich confirmed that it had no further comments to make.

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.

I appreciate that Miss M remains unhappy with the manner in which her motor claim has been handled, and she would like to see Zurich required to change the way in which it deals with similar claims in the future. I should explain that my role is to consider the particular circumstances of a complaint which has been brought to this service, and determine what action (if any) should be taken by a business to put matters right in the event that it has been at fault.

Having considered all of the evidence provided in this complaint, my view remains as outlined in my provisional decision, and I do not consider I have reason to change the outcome reached in that decision.

My final decision

Zurich Insurance PLC has already made an offer to pay two compensation amounts of £150 and £75, reflecting poor service relating to keeping Miss M up to date with the progress of her claim. My view is that these offers are fair in all the circumstances.

My final decision is that, in the event that Zurich Insurance PLC has not already paid the £150 and £75 amounts, it should now pay these. I do not make any further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 22 September 2023.

John Swain
Ombudsman