

The complaint

Mr E complains about how One Insurance Limited dealt with a claim on his car insurance policy following a “non-fault” accident.

What happened

Mr E was involved in an accident in his car which wasn't his fault. He therefore called the broker for his car insurance policy who initially referred him to an accident management company (AMC) for a credit hire and repair service. A week later Mr E was referred back to his insurer, One Insurance, who dealt with the claim under his car insurance policy.

When Mr E was referred to credit hire and repair he'd raised concerns about who would repair his car as it had a manufacturer's warranty. He also raised concerns about the credit hire agreement provided by the AMC. Mr E wasn't happy with how One Insurance was dealing with his claim and complained. He said his car had been repaired without using a manufacturing garage or a garage of his choice and was generally unhappy with the information provided by One Insurance.

One Insurance reviewed the complaint and didn't uphold it. It said Mr E had confirmed he was happy with One Insurance carrying out the repairs and that it had also spoken with a manufacturing garage and been assured that as genuine manufacturer parts and repair methods had been used then Mr E's warranty with the manufacturer wouldn't be affected. Mr E wasn't happy with the response and referred the complaint here.

Our investigator reviewed the complaint and found Mr E had been given incorrect information about his claim when speaking with One Insurance. She therefore recommended One Insurance pay Mr E £250 compensation for the distress and inconvenience caused by the poor claim handling. Mr E accepted our investigator's outcome. One Insurance asked for an ombudsman's decision but didn't provide any comments in response to our investigator's view.

As One Insurance didn't agree the complaint has come to me to decide.

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 terms and conditions of Mr E's policy explain what One Insurance will do in the event of loss or damage caused to his car. These include either paying the cost of repairs, replacing what is lost or damaged, or paying a settlement which is based on the cost of replacing Mr E's car at the time of loss. The terms also say Mr E can use his own repairer, but One Insurance will not pay more than it would cost to repair Mr E's car through its own repair network. I've therefore looked to see whether One Insurance applied the terms in a fair and reasonable way.

During the claim Mr E asked One Insurance about the repairs, in particular he asked who

would do them and the impact on his manufacturer's warranty, as he was concerned about the manufacturer's warranty on the car. During a call with One Insurance, it was agreed to assess the damage to Mr E's car and let him know if it could be repaired, along with the cost before any work was started. This was so Mr E could make a choice on where and how his car was repaired.

Mr E also spoke with the manufacturer about his warranty and was told it would be invalidated if not repaired in a way the manufacturer agreed with. Following this, he asked One Insurance on a web chat about the manufacturer's warranty and was told the repair wouldn't affect it. This was also later confirmed in writing. However, Mr E then also found out his car had been repaired without it being discussed with him first.

I've listened to the calls Mr E had with One Insurance and reviewed the web chat transcript. From doing so it's clear Mr E had concerns about how his car would be repaired. I can also see the advisors he spoke with were trying to help him. However, I'm not persuaded his claim was handled as well as it should have. I say this because Mr E had to ask repeatedly about the process and made it clear this hadn't been properly explained to him. So, while I do think One Insurance was trying to help in the web chat and calls I've seen and listened to, I'm not satisfied the claim process and the next steps was clearly explained to Mr E as early as it could have been. He was also told the damage would be assessed and discussed with him before the car was repaired, but this didn't happen.

Taking everything into account I'm satisfied One Insurance has caused unnecessary distress and inconvenience for Mr E during the claim. Our investigator recommended £250 compensation which Mr E accepted. One Insurance asked for an Ombudsman to review the complaint but didn't provide any comments on why it disagreed. Without anything to say why One Insurance disagrees with our investigator's outcome, I see no reason to depart from it. Therefore, One Insurance needs to pay Mr E £250 for the distress and inconvenience caused.

My final decision

For the reasons explained above, my final decision is that I uphold this complaint. I require One Insurance Limited to pay Mr E £250 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 29 November 2023.

Alex Newman
Ombudsman