

## **The complaint**

Miss C has complained about Skyfire Insurance Company Limited. She isn't happy about the way it dealt with a claim under her motor insurance policy.

For ease of reading any reference to Skyfire includes its agents.

## **What happened**

Miss C was involved in what she believed to be a non-fault accident and when she reported this it would appear that the matter was referred to a third-party company who looked to advance the claim directly with the other driver's insurer. There was discussion about Miss C's car being a write off and a claim was made direct through her insurer, Skyfire. And as Miss C thought the car could be fixed it agreed to repair her car and it was returned to her.

However, Miss C complained to Skyfire as she wasn't happy about the way the claim was dealt with and the delay in settling liability as this was impacting her premiums amongst other things. Skyfire explained that it wasn't responsible for the problems she faced initially when the matter was referred to a third-party as it had nothing to do with that. And that liability was being disputed by the other driver now, so the claim has unfortunately been dragged out. But Miss C remained unhappy, so she approached this Service.

Our investigator looked into things for Miss C and partly upheld her complaint. She thought Skyfire should have kept her up to date about the claim and provided more meaningful updates. And so, she thought it should pay Miss C £200 by way of compensation for the poor customer journey she faced.

Miss C didn't agree as she thought she should have been paid a lot more by way of compensation, so the matter has been passed to me for review.

## **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 agree that the complaint should be partly upheld. I know this will come as a disappointment to Miss C but I think £200 compensation is fair, I'll explain why.

Unfortunately, there is always a fair degree of inconvenience in advancing an insurance claim after an accident, especially when the other side disputes liability. So I think a lot of the stress, worry and inconvenience Miss C faced is linked to this which is unavoidable. I can see Miss C faced some difficulty when she first reported the incident but that was with a third-party company that wasn't anything to do with Skyfire so I can't hold it responsible for the third-party's actions although Miss C may be able to advance a complaint separately with that company if she remains unhappy. This complaint focusses solely on the actions of Skyfire and the complaint Miss C has brought against it.

I know Miss C doesn't feel £200 compensation is sufficient and highlights that she is out of pocket in relation to her excess and that she is facing increased premiums because of the potential fault claim. But I can't hold Skyfire responsible for these issues at this stage although Miss C may be able to address these points once the claim is finalised. Miss C's excess was always due under the policy and she may be able to get that back from the other driver's insurer if the claim is eventually settled as fault against the other side. And if the claim is marked as 'non-fault' against her she can look to see if her insurer will re-rate her policy on this basis and gain a refund of some of her premium.

Turning to liability, I can understand Miss C's frustration as the other side has disputed liability here which inevitably delays matters.

Ultimately, Skyfire has the right to take over the settlement of any claim which gives it the right to decide whether to take a third party to court or settle a claim. Legal proceedings are time-consuming, expensive and the outcome can be uncertain. As such, it will not always be commercially viable to take legal action against a third party. However, this Service's general approach is that insurers should act fairly and reasonably in deciding whether to settle or pursue a third party.

We expect insurers to make a reasonable assessment, based on a clear understanding of the evidence and the circumstances of the accident. And having carefully considered how Skyfire has handled things to date I'm satisfied it has carried out a reasonable investigation into the claim. It has taken into consideration all of the available evidence and appointed solicitors to try and defend Miss C so it seems to be doing all it can to help here. I can see Skyfire looked at settling the claim on a split liability 50/50 basis at one stage and has now instructed solicitors to try and fully defend Miss C. So, it is clearly trying to defend her position here while the other side is looking to defend their position which they are entitled to do.

So, although I know Miss C simply wants liability settled in her favour, which I understand, it isn't as simple as that and Skyfire is trying to defend her position against the other side. And if liability isn't settled in her favour she can complain to Skyfire about this at that stage although I'm satisfied it has acted fairly to date.

Finally, I can see Miss C has raised a number of issues with this Service that Skyfire hasn't had the opportunity to consider to date. I'll simply leave Miss C to advance those issues with Skyfire if she remains unhappy in the first instance.

Given all of this, I agree that Miss C should be awarded £200 compensation for the lack of meaningful updates, delay and poor service provided here.

### **My final decision**

It follows, for the reasons given above, that I partly uphold this complaint. I require Skyfire Insurance Company Limited to pay Miss C £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 5 October 2023.

Colin Keegan  
**Ombudsman**