

The complaint

Mrs H is unhappy Premier Insurance Company Limited indemnified her the incorrect amount when she made a claim for stolen items under her motor insurance policy.

Any reference to Premier includes the actions of its agents.

What happened

The circumstances of this complaint are well known to both parties, so I've summarised events.

- Mrs H has a motor insurance policy which is underwritten by Premier. She made a claim on the policy when her car was broken in to and personal effects were stolen.
- Premier accepted the claim and paid £100 in respect of the stolen personal items.
- Mrs H complained saying she'd been given conflicting information as to the policy limit in respect of personal effects. She said the policy states the limit as £200, and so, she considers this to be the amount she's entitled to.
- Premier confirmed £200 was the correct amount and subsequently paid Mrs H an additional £100.
- Mrs H was unhappy about the time it took Premier to pay the additional amount and so, brought a complaint to this Service. An Investigator upheld the complaint and recommended Premier pay £50 compensation to recognise it had caused avoidable delays.
- Mrs H accepted the Investigator's findings but Premier thought the amount of compensation was unreasonable and so, asked for an Ombudsman's 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 agree with the outcome our Investigator reached. Whilst I note Premier has now paid Mrs H the additional £100 in respect of personal effects and therefore, settled the claim in line with the policy terms, from what I've seen it caused avoidable delays by not paying the correct amount at the earliest opportunity.
- I say this because it was only after Mrs H spent time challenging the amount initially paid to her that Premier acknowledged the policy limit was £200 - not £100 – and agreed to pay the full amount.
- From what I've seen, it would have always been apparent to Premier that the policy limit was £200 as this is clearly set out in its policy. So, I think the misinformation in

respect of this – where Mrs H was incorrectly told it was £100 – could have been avoided too.

- Overall, I'm satisfied Premier caused avoidable delays and preventable inconvenience, and so, I consider it reasonable to direct it to pay compensation to recognise this. And I consider £50 compensation to be reasonable in the circumstances.

My final decision

My final decision is I uphold this complaint and direct Premier Insurance Company Limited to pay Mrs H £50 compensation.

Premier must pay the compensation within 28 days of the date on which we tell it Mrs H 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 H to accept or reject my decision before 14 November 2023.

Nicola Beakhust
Ombudsman