

The complaint

Mr P complains about how Wakam handled a claim under his commercial car insurance policy for the theft of his vehicle.

References to Wakam in this decision includes their agents.

This decision covers the time from the theft of Mr P's vehicle in September 2022, through his complaint to Wakam in December 2022, to Wakam's response in February 2023. It doesn't cover events from that point through to the settlement of his claim in July 2023, as they haven't been the subject of a complaint to Wakam.

What happened

Mr P had a commercial car insurance policy with Wakam, covering his vehicle and his part-time role as a fast food delivery driver. In September 2022, his vehicle was stolen from a supermarket car park, while he was collecting items from the supermarket to fulfil an order. Mr P said he locked the car with the key, but when he returned to the car park the car had gone. He notified the theft to Wakam through a phone app and the local police, who gave him with a crime reference number the following day. The vehicle wasn't recovered. A bank card and credit cards were also taken in the theft and two were used in the local area before Mr P cancelled them.

Wakam appointed a claim handler (C) and, because of the circumstances of the theft, an investigation firm (CG). CG subsequently interviewed Mr P via video at the start of October 2022. Shortly afterwards, Mr P was asked to supply the vehicle key to CG, which he did by return (Mr P said the vehicle was only supplied with one key when he purchased it). The key was sent away for analysis, as part of CG's investigation. Receipt of the key analysis took some time, so CG's report wasn't finalised until mid-November 2022.

Wakam then requested a report from the police. The police asked Wakam to complete a form for them to provide a report, but the form had to be re-sent as the police wouldn't accept a digitally signed form (December 2022). The form then had to have another section completed and re-sent to the police (January 2023).

Unhappy at how long it was taking to assess the claim, Mr P complained to Wakam in December 2022. He said he'd responded to all requests for information on a timely basis, but Wakam hadn't been proactive in handling the claim. A report from the police hadn't been requested until November, some eight weeks after the theft. And Mr P hadn't received callbacks after he'd been told he would, on several occasions. And he'd had to chase Wakam for updates. The theft of his vehicle also meant he couldn't work, causing him significant financial loss, for which he wanted compensation.

Wakam didn't uphold the complaint. In their final response they said there were procedures and protocols involved in assessing a claim for vehicle theft. Delays were caused getting the police report and their requesting a form to be re-signed as the police wouldn't accept digital signatures. Wakam said they had to adhere to procedures and protocols, as well as Service Level Agreements (SLAs).

Mr P then complained to this Service, saying there had been repeated delays in assessing and settling his claim. He'd complained to Wakam in December 2022 but only received an acknowledgement in February 2023 and then a response setting out the actions Wakam had taken to date. But Mr P wasn't happy with the response, indicating what he saw as inaction in what should have been a straightforward process. In particular, delays in requesting a police report and then further delays in responding to questions from the police.

His policy was specifically designed for fast food delivery drivers, but due to not having a vehicle and indemnity for over five months he'd been unable to work since his vehicle was stolen. This meant a significant loss of income. The continuing delay in assessing and settling his claim was causing him significant anxiety and distress, which also affected his family. He wanted Wakam to settle his claim without any further delays, as well as an explanation of why the process was taking so long. He also wanted an apology from Wakam and compensation for the inconvenience, distress and financial loss he'd experienced.

Our investigator upheld the complaint, concluding Wakam hadn't fairly compensated Mr P for his loss of earnings, due to a two and a half month delay in requesting the police report. While Wakam requested a key analysis report and a police report, there were avoidable delays by Wakam in requesting the police report and B hadn't progressed the claim reasonably. So, Wakam should compensate Mr P for his loss of earnings.

Wakam initially accepted the investigator's view and said they would pay Mr P for loss of earnings. However, the claim handling company (C) didn't accept the investigator's view. They didn't think there was any delay in progressing the key analysis, with a period of four weeks between instruction and receipt of the key analysis report. On the police report, they referred to publicly available information on the police website indicating requests for reports should allow at least 12 weeks before being made (to allow time for the police investigation and any court proceedings). They also said the report was received just over three months from it being initially requested (and a further nine days for the police to send a code to access the report). And they'd communicated with the police several times during the process. So, they didn't think they'd delayed matters.

Mr P disagreed with the investigator's view and asked that an ombudsman review the complaint. He said little tangible progress was made on his claim between January 2023 and June 2023, when Wakam accepted his claim and made an offer for the total loss of his vehicle (which he subsequently accepted, the claim being settled in July 2023). So, he thought he should be compensated for seven months loss of earnings, rather than the two and a half months recommended by the investigator.

Because Wakam and their claim handling company expressed different opinions on the investigator's view, and Mr P also disagreed, the complaint has been passed to me to consider.

In my findings, I concluded there were avoidable delays in obtaining the police report, particularly given the known likely elapsed time for it to be received. There were points at which Wakam were awaiting a response from the police, so I couldn't hold Wakam responsible for any consequential delays.

I then considered the delays that could reasonably be attributed to Wakam and were avoidable. I thought a total of six weeks delay were due to Wakam and were avoidable. Based on this, to put things right, I concluded Wakam should compensate Mr P for six weeks of lost earnings (one week at the end of November and five weeks from the middle of December to the middle of January).

Because I reached a different conclusion to that of our investigator, I issued a provisional decision to give both parties the opportunity to consider matters further, as set out below.

What I've provisionally decided – and why

My role here is to decide whether Wakam have acted fairly towards Mr P.

As set out earlier, this decision only covers the time from the theft of Mr P's vehicle to Wakam's response in February 2023. It doesn't cover events from that point through to the settlement of the claim in July 2023, as they haven't been the subject of a complaint to Wakam nor a response from them.

The key issue in Mr P's complaint is the time taken by Wakam assessing Mr P's claim for the theft of his vehicle. Mr P says Wakam took too long assessing the claim, in particular the time taken for them to request a police report and for it to be received and accessed. Without his vehicle, Mr P says he wasn't able to work as a fast food delivery driver. Wakam's claim handling company say they didn't delay matters.

In considering this issue, I've looked carefully at the sequence of events, and the associated evidence and information provided by Wakam and by Mr P. I've first noted Wakam appointed C and CG to, respectively, handle the claim and investigate the circumstances. Given the circumstances of the theft, I don't think this unreasonable. And CG's interview took place within a couple of weeks of the theft. I also don't think it unreasonable for CG to request a key analysis, which meant time taken while the request was progressed, and a report produced. And then time to finalise CG's report, before a request for the police report was made in mid-November 2022.

However, after that point there were delays due to Wakam responding to the police request for a form to be filled in (one week); the form having to be signed manually (as the police wouldn't accept a digital signature); and different parts of the form needing to be completed. Wakam say slight delays were caused by the police asking for the form to be signed manually. I accept this caused a delay, but it then took more than a month (from December 2022 to January 2023) for Wakam to respond to the police request for another part of the form to be completed. And then a further delay for the relevant payment to be made for the report. After that point, the police report was received in late February 2023 (a month later).

In respect of the delay between December 2022 and January 2023, C say it included Christmas and New Year and they have a standard four-week reminder for the file handler to review. C also say police reports were taking on average eight to ten weeks to be received. That being the case, I'm not persuaded the four week delay was unavoidable and the form should have been returned much sooner than it was – particularly given the impending Christmas and New Year period.

Taking all these points together, I've concluded there were avoidable delays in obtaining the police report, particularly given the known likely elapsed time for it to be received. Looking at the sequence of events, there were points at which Wakam were awaiting a response from the police. It's not in my remit to consider the time taken by the police to respond to Wakam, or their further requests about signature of the form; completion of the form; or payment for its release. So, I can't hold Wakam responsible for any consequential delays.

I've thought carefully about the delays that can reasonably be attributed to Wakam and which I think were avoidable. I think a total of six weeks delay were due to Wakam and should have been avoidable. Based on this, to put things right, Wakam should compensate Mr P for six weeks of lost earnings (one week at the end of November and five weeks from the middle of December to the middle of January).

My provisional decision

For the reasons set out above, it's my provisional decision to uphold Mr P's complaint. I intend to require Wakam to:

- *Compensate Mr P for six weeks of lost earnings (one week at the end of November and five weeks from the middle of December to the middle of January).*

Mr P responded to say he reluctantly accepted the provisional decision, because of the more limited period that it covered.

Wakam responded to say they appreciated there were delays, some of which were beyond their control. The only time they would request a police report was if it was requested by their investigator. Wakam accepted the report took time to get to them, but the delays were beyond their control. While making this point, they said they would be willing to pay Mr P four weeks' loss of earnings.

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.

My role here is to decide whether Wakam have acted fairly towards Mr P.

I've considered the response from Wakam. While they accept there were delays, they say they were outside their control. However, as I set out in my provisional decision, I distinguished between delays I thought were due to Wakam, principally over the Christmas and New Year period, and those where the delay was due to awaiting a response from the police. While Wakam have said the delays were outside their control – and they've offered to pay Mr P for four weeks of lost earnings – they haven't provided any substantive arguments or evidence to challenge my conclusions. So, I haven't changed my view on delays due to Wakam and my conclusion they should compensate Mr P for six weeks of lost earnings.
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My final decision

For the reasons set out above, it's my final decision to uphold Mr P's complaint. I require Wakam to:

- Compensate Mr P for six weeks of lost earnings (one week at the end of November and five weeks from the middle of December to the middle of January).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 December 2023.

Paul King
Ombudsman