

## **The complaint**

Mrs M and Mr M complain about delays in handling a claim for the loss of their caravan under their caravan insurance policy by their insurer, Acromas Insurance Company Limited (Acromas).

References to Acromas in this decision include their agents.

Subsequent to Mrs M and Mr M's complaint to this Service and Acromas' final response, settlement of the claim for the loss of the caravan was agreed in October 2023, at a value of £19,590. And as the settlement was agreed between Mrs M and Mr M and Acromas, this decision doesn't cover the value of the settlement.

## **What happened**

In May 2023 Mrs M and Mr M were in an accident overseas in which their caravan was damaged. There was no damage to their towing vehicle. Mrs M and Mr M contacted Acromas to tell them about the accident and lodge a claim. They also provide photographs of the damage and a copy of the local police report. Acromas told them to contact their claims office in working hours, but they weren't able to do this before they travelled back to the UK. Acromas appointed an agent (VA) to handle the claim.

The caravan wasn't roadworthy, so Mrs M and Mr M left it at a nearby caravan site. Over the following months they were contacted by the caravan site owner asking them to pay storage fees for their caravan (at a daily rate of €50) and to have the caravan removed as the site needed the space.

Mrs M and Mr M weren't happy at how their claim was handled and a lack of contact from Acromas. During a call in mid-July they said they were told the caravan was likely to be a total loss and an interim payment of £16,000 to be offered. But this didn't happen. At the beginning of August they were emailed by Acromas to say they were awaiting a valuation report on the caravan.

Already unhappy at what they felt was a lack of progress or urgency on the part of Acromas, Mrs M and Mr M complained at the end of June 2023. But Acromas didn't respond within the eight week period a business has to consider a complaint, so they informed Mrs M and Mr M of their referral rights to this Service.

Mrs M and Mr M complained to this Service at the end of August 2023. As well as the loss of their caravan (insured at a value of £20,000) they weren't happy at how they'd been treated by Acromas and there had been no progress with their claim. They'd suffered inconvenience trying to progress matters and were distressed by being invoiced for a total of €4,800 for storage fees from the date of the accident to the end of August 2023 and were worried they might be pursued for the sums. They'd passed the invoices to Acromas, but they hadn't been acknowledged. They wanted Acromas to quickly settle their claim for the caravan in the sum of £19,500 as well as compensation for the three months stress they'd suffered.

Acromas subsequently issued a final response to Mrs M and Mr M's complaint in September 2023. They rejected the point Mrs M and Mr M made about being offered an interim payment of £16,000 – saying this was a hypothetical example used to illustrate the claims process. But they did uphold the elements of complaint about a lack of communication and support to Mrs M and Mr M, accepting there had been little or no communication from Acromas' Foreign Claims Department about the status or progress of the claim, and emails sent by Mrs M and Mr M weren't acknowledged or responded to. They also upheld the issue of delays in recovering the caravan from the camp site and a lack of progression of the claim. Acromas also acknowledged (and upheld) the time taken to respond to the complaint. In recognition of the elements upheld, Acromas awarded £600 in compensation.

Our investigator didn't uphold the complaint, concluding Acromas didn't need to take any action. It was clear Acromas (and their agents, including VA) caused unnecessary and avoidable delays in handling Mrs M and Mr M's claim. They didn't respond to emails and invoices from the overseas camp site that Mrs M and Mr M forwarded and didn't provide regular updates about progress with the claim, or support to Mrs M and Mr M. Acromas had told the camp site they would settle the costs of storage of the caravan, and not to contact Mrs M and Mr M.

While reaching these conclusions, the investigator noted Acromas had accepted it hadn't provided the service to be expected. He thought the £600 compensation offered by Acromas was fair and reasonable in the circumstances of the case, in line with guidelines published by this Service on compensation awards.

Mrs M and Mr M disagreed with the investigator's view and asked an ombudsman to review the complaint. They said the £600 compensation offered by Acromas was made at the end of August 2023, so would be in respect of the delays and problems experienced to that point. It had then taken another six weeks for Acromas to make a settlement for the loss of the caravan, during which time they received further stressful communications from the camp site demanding payment of the storage fees. They'd had no communication from Acromas about payment of the fees, which were continuing to increase. They were in no position to pay the fees, then reclaim them from Acromas.

### **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 Acromas have acted fairly towards Mrs M and Mr M.

The main issue in Mrs M and Mr M's complaint is how Acromas handled their claim following the accident, through to the point they complained to this Service at the end of August 2023. Acromas' final response was issued in mid-September 2023, in which they upheld all but one of the points raised in Mrs M and Mr M's complaint to them. Mrs M and Mr M, in disagreeing with our investigator's view, say it took Acromas a further six weeks from that point to settle the claim for the loss of their caravan, a period in which they were subject to further stressful communications and demands for payment of storage fees by the camp site. And they'd had no confirmation about the fees being paid.

It's important to note this decision covers the period from the accident through to Acromas' final response. If Mrs M and Mr M have issues with the way their claim was handled after this point – and they've indicated they aren't happy with the further time taken to reach a settlement, together with uncertainty over payment of the storage fees – that would have to be the subject of a new complaint to Acromas and, should they wish, to this Service.

As I've said, my role is to consider this complaint and to decide whether Acromas have acted fairly towards Mrs M and Mr M. That includes the actions they've taken in response to Mrs M and Mr M's complaint, including the £600 compensation they awarded.

Having considered all the evidence and information provided, both by Mrs M and Mr M and by Acromas, in the specific circumstances of the case, I've concluded Acromas have acted fairly and reasonably. I know this will be disappointing to Mrs M and Mr M, so I'll set out why I've come to this conclusion.

Looking at the sequence of events set out above, it's clear there were considerable delays progressing the claim to a conclusion. In particular, obtaining a valuation report on the caravan, which would inform the decision on whether the damage was repairable or – as it turned out – the caravan would be a total loss. But from the Acromas case notes, it appears the caravan was thought likely to be a total loss from the initial notification of the accident. So the issue was then obtaining a Pre-Accident Valuation (PAV) report on the caravan – the policy schedule sets out the caravan is covered for market value, up to the limit of the sum insured (£20,000).

It's also clear there were delays in providing a PAV report, as the following statement in Acromas' final response indicates:

*"...our Claims Department did not pressure the Engineers in order for a settlement to be confirmed sooner rather than later...Our Engineers should have...stuck to their contractual agreed upon timeframe for them to provide a report confirming the settlement amount awarded for your caravan."*

Specifically on the issue of the interim payment Mrs M and Mr M say they were offered, the call record indicates this was a hypothetical example provided during the discussion about the claims process – it wasn't a formal offer or indication of a payment to be made. Although in a discussion about the claim and how it would be settled, I can understand why Mrs M and Mr M may have thought it was.

As well as the issue of a valuation of the caravan, there's the issue of it being stored at the camp site and recovered, together with the storage fees charged by the camp site. In their final response, Acromas state:

*"...the biggest contributor to the overall delays you are experiencing in your claim is as a result of your caravan not being recovered. Upon notification that your caravan was still located on the camp site our Foreign Claims Department sent an instruction to VA to ensure urgent recovery of your caravan. I sincerely apologise that the recovery of your caravan has yet to happen and that you are receiving threatening emails from the camp site as a result."*

It's clear VA didn't arrange for recovery of the caravan from the camp site. It's not clear why this didn't happen – if the accident had happened in the UK then I would have expected Acromas to arrange for the caravan to be moved to one of their network of sites where it could be inspected for assessment of the damage and valuation purposes. That would also reduce – if not eliminate – the costs of storage. In this case, while the accident occurred overseas and may have made the position more complicated, Acromas are responsible for the actions (or inactions) of their appointed agents operating in the country concerned, who should have arranged for recovery of the caravan. Their failure to do so added to the stress on Mrs M and Mr M, particularly being chased for payment of storage fees by the camp site.

Acromas did contact the camp site to say they would cover the storage fees and that they shouldn't contact Mrs M and Mr M, but there's no indication the fees were paid up to the

point Mrs M and Mr M complained to this Service. Or after that point, as I've seen invoices from the camp site for payment of fees in advance for the period October 2023 to April 2024, when the camp site is closed. And while I can't hold Acromas responsible for the actions of the camp site, I've concluded they should have done more to resolve this issue, which caused avoidable stress and inconvenience to Mrs M and Mr M.

Turning to the other issues, what's also clear is that Mrs M and Mr M had to chase Acromas regularly for updates on progress of the claim and they weren't proactively contacted by Acromas (or VA) for significant periods. This lack of contact prompted Mrs M and Mr M to first complaint to Acromas at the end of June 2023. And Acromas' final response indicates they accept this was the case from the following statements:

*"...it was apparent that there was little to no communication and/or support from the Foreign Claims Department concerning the status and progression of your caravan claim."*

*"...my investigations highlighted that all movement on your claim occurred after an inbound call from yourself...We have a Claims Department in order to support our Policy Holders...throughout their claims journey...It is clear...that the Claims Department did not provide this support to you."*

*"...it was apparent that there was little to no movement or progression made in response to the various emails you sent into our Claims Department. Our Claims Department should have been more proactive in progressing your claim..."*

Taking all these points into account, I've then considered Acromas' response to Mrs M and Mr M's complaint. As I've set out, they upheld all but one of the detailed points raised in the complaint and apologised to Mrs M and Mr M. And they've awarded £600 compensation in recognition of the shortcomings they've accepted.

It's clear Mrs M and Mr M have suffered considerable distress, upset and worry as well as significant inconvenience from what has happened. And the impact has been over a period of three months, being from the date of the accident to their complaint to this Service and Acromas' final response. And at that point, matters were still not resolved. Having reference to our published guidelines on compensation for distress and inconvenience, I think £600 is fair and reasonable in the circumstances of the case.

This is the compensation awarded by Acromas, so I've concluded they've acted fairly and reasonably in making this award. My understanding is that Acromas have made payment of the award – their final response states they were arranging for a cheque payment to be issued within the next seven to ten working days. That being the case, I won't be asking them to do anything further.

### **My final decision**

For the reasons set out above, it's my final decision not to uphold Mrs M and Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 5 March 2024.

Paul King  
**Ombudsman**