

The complaint

Mrs M complains that One Insurance Limited (One Insurance) failed to provide a breakdown of the settlement payment she received following an accident she was involved in, under her motor insurance policy. This has meant she can't claim on her gap insurance policy.

What happened

Mrs M was involved in a car accident in 2022. One Insurance dealt with the claim and settled it with a cash payment. The car was paid for using a finance arrangement, so the funds were paid to the finance provider. The amount owing on finance was greater than the settlement payment. This left a balance that Mrs M was responsible for.

Mrs M had 'gap' insurance in place to cover her for the shortfall in these circumstances. She made a claim to her gap insurer. It asked her to obtain evidence in the form of a letter about the settlement payment One Insurance had paid. This was to confirm how much was paid to the finance company and how much Mrs M received.

Mrs M says she requested this information from One Insurance, but it didn't respond. She complained to the business, and it sent its final complaint response in August 2023. It told her that there were outstanding invoices that needed to be paid. But that once the claim had been paid it would provide a breakdown of the settlement.

Mrs M didn't think it was fair to wait an indefinite period to claim on her gap insurance. So, she referred the matter to our service. Our investigator upheld her complaint. He thought there had been a misunderstanding on One Insurance's part. He says the email Mrs M had sent it from her gap insurer was clear in explaining the information it needed. He didn't think there was a reason why this information couldn't be provided. He says One Insurance should now provide this in an email or letter to Mrs M.

Our investigator says One Insurance should pay Mrs M £250 compensation for the trouble and upset it caused her. This is for the delay and the need to borrow money from a family member to make up for the missing gap insurance payment.

Mrs M initially rejected our investigator's findings. She says the anxiety and distress this matter caused warranted a higher payment. However, she subsequently confirmed that she accepted our investigator's view. One Insurance didn't respond.

As an agreement wasn't reached the matter has been passed 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.

Having done so, I'm upholding Mrs M's complaint. Let me explain.

Mrs M hasn't disputed the amount One Insurance paid in settlement of her claim. Her complaint is that One Insurance hasn't provided the information her gap insurer needs to

deal with her claim. This is what I'll consider here.

I've seen an email Mrs M sent to One Insurance dated 23 November 2022. In this email she refers to several earlier requests she'd made for the information her gap insurer needed. Mrs M attached the request she'd received from her gap insurer to her email. This says:

"This is a reminder as we are still waiting for the following documentation for your claim:

Evidence of payment from your Motor Insurer – A letter or email from your Motor Insurer stating how much was paid, when and whom they have paid. This should be the breakdown of the motor insurance offer £14890. How much they have paid to the vehicle finance company and how much they have paid you for the remaining balance including any deductions. You can send this email to your motor insurer if that helps."

In its final complaint response One Insurance says it can't give out information relating to the settlement. It refers to outstanding invoices and mentions third party solicitors. I think One Insurance could've been clearer in what it meant. But I think what it's essentially saying is that as the claim was still open it wasn't yet known what the full cost of the claim would be.

From the claim records Mrs M was determined at fault for the accident. This meant One Insurance was responsible for paying the other party's losses as well as hers. Based on the records the claim wasn't completed when Mrs M asked for the information her gap insurer needed.

That said I can't see any reason why the breakdown requested by the gap insurer couldn't be provided. One Insurance had provided the settlement payment. It should've been able to respond to the information request at the first time of asking in 2022. This has clearly caused a great deal of inconvenience for Mrs M.

One Insurance should now respond to Mrs M providing the information needed for her gap insurance claim.

I've thought about the impact this had on Mrs M. She spent time chasing One Insurance for the information she needed on numerous occasions over approximately ten months. This is a long time to have to wait and chase for information. She highlights the anxiety this caused her, and also meant she had to borrow money from a family member to make up the shortfall in what was owed on her finance agreement. I can understand Mrs M's frustration. Given the relatively straightforward information request, I think this matter should have been resolved in 2022. Mrs M's gap insurance claim would then have been dealt with far sooner and she wouldn't have needed to borrow money.

Having considered all of this it's reasonable that One Insurance compensates Mrs M for the distress and inconvenience it caused her. I agree with our investigator that £250 is fair.

My final decision

My final decision is that I uphold this complaint. One Insurance Limited should:

- write to Mrs M providing the information she needs for her gap insurance claim; and
- pay Mrs M £250 compensation for the distress and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 14 March 2024.

Mike Waldron
Ombudsman