

## **The complaint**

Mr S has complained about the way Berkshire Hathaway International Insurance Ltd (BHIL) handled his claim under his Motor Trade Insurance policy following the theft of a vehicle insured under it.

BHIL is the underwriter (insurer) of this policy. Much of this complaint concerns the actions of its appointed agents. As BHIL accepts it is accountable for the actions of its agents, in my decision, any reference to BHIL should be interpreted as also covering the actions of its appointed agents.

## **What happened**

Mr S reported a vehicle belonging to him was stolen on 16 September 2022. BHIL interviewed Mr S on 27 September 2022 about the theft. It has said it then had to carry out additional enquiries and it didn't make Mr S a settlement offer until the middle of December 2022. Mr S complained about the length of time it took BHIL to make its offer, the amount BHIL offered in settlement, the fact the claim being open for so long affected the premium he was charged when his policy came to an end and the impact this had on him and his business.

BHIL didn't uphold any of Mr S's complaint points. So he asked us to consider them as part of this complaint.

One of our investigators did this. She said that the length of time BHIL took to make its settlement offer was reasonable. She also said its decision there was no payment due under the policy was correct. She didn't consider BHIL could be held responsible for the premium Mr S was quoted for his new policy. But she did think BHIL should pay Mr S £100 in compensation for the distress and inconvenience caused by its poor communication on his claim.

BHIL agreed with the investigator's view. Mr S did not. He said the compensation is nowhere near enough and he still doesn't think BHIL paid enough in settlement of his claim.

## **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.

Industry rules set out by the regulator (the Financial Conduct Authority) say insurers must handle claims fairly and shouldn't unreasonably reject a claim. I've taken these rules, and other industry guidance, into account when deciding what I think is fair and reasonable in the circumstances of Mr S's complaint.

From the evidence provided by BHIL the only reason I can see for it taking so long to make a decision on Mr S's claim was that it had to carry out further enquiries. It seems these were around the ownership of the stolen vehicle. And I'm satisfied that these were reasonable in the circumstances based on the investigation report BHIL has provided. However, BHIL

doesn't seem to have kept Mr S very well updated on his claim and I agree with our investigator that this caused him distress and inconvenience. And, while I appreciate Mr S doesn't think it is enough, I'm satisfied £100 in compensation is fair for this.

I've checked Mr S's policy and it says that if one of the vehicles on it is stolen he should receive its trade value less the policy excess. I've checked the trade value of the vehicle he claimed for and it was £780. Mr S's policy excess was £1,000. This means he wasn't due anything under the policy in settlement of his claim. I've noted the adverts Mr S provided to our investigator for what he said were similar vehicles. But the vehicles were not exactly the same as his in terms of age and mileage and the values quoted were retail values and not trade ones. So, I'm satisfied BHIL's decision that nothing was due in settlement of his claim was correct.

I appreciate Mr S faced a higher premium because of his claim, but I don't think this was due to anything BHIL did wrong. And – from what BHIL has said - it seems the policy he was offered was with a different insurer. Although it was through the same insurance broker.

In summary, while I appreciate Mr S doesn't agree, I think the £100 in compensation is a fair and reasonable outcome to his complaint. This is on the basis BHIL did need to fully investigate his claim and once it had decided to accept it, I think it was right to say there wasn't a payment due. But it reflects the fact its communication wasn't as good as it should have been and this caused Mr S distress and inconvenience.

### **Putting things right**

For the reasons set out above, I've decided BHIL should pay Mr S £100 in compensation for distress and inconvenience.

### **My final decision**

I uphold Mr S's complaint in part and order Berkshire Hathaway International Insurance Ltd to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 February 2024.

Robert Short  
**Ombudsman**