

The complaint

Mr R complains about the length of time it took Trinity Lane Insurance Company Limited (Trinity Lane) to deal with a claim made on his motor insurance by a third party. References to Trinity Lane include other organisations and individuals acting on its behalf.

What happened

Mr R had motor insurance with Trinity Lane. Another motorist said that Mr R drove into the back of their vehicle, and made a claim against Mr R's policy. This claim turned out to be fraudulent. Mr R was unhappy with the length of time it took to deal with the claim and complained to Trinity Lane. Trinity Lane said that it handled the matter with care and consideration as swiftly and efficiently as possible, and that it has little power to force any claimant or their representatives to disclose or provide information. Trinity Lane said for injury claims such as this, claimants aged over 18 years are by law allowed up to three years to issue court proceedings, so it wouldn't close a claim file when it hasn't been confirmed that the interested claims or parties have confirmed they no longer seek an indemnity from it.

Mr R wasn't happy with Trinity Lane's response and complained to this service. Our investigator upheld his complaint. She said that while Trinity Lane may not have been doing certain things Mr R thinks they should have, she was satisfied that they were actively dealing with the matter for the most part. But she said Trinity Lane's progress appeared to have slowed down for a period of four to five months and Mr R had to chase several times for updates.

To recognise that Trinity Lane's service fell slightly short, the investigator said it should pay Mr R £100 compensation.

Trinity Lane didn't respond to the investigator's suggestion, so the complaint has been passed to me. Mr R has since responded and said he wants compensation for his increased insurance premiums which he says will amount to £1500 over five years, £600 for his legal fees, and further compensation for the stress caused. He says this amounts to between £4,000 - £6,000.

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.

I uphold Mr R's complaint. I'll explain why.

Unfortunately when a claim is made by a third party against a consumer's insurance policy it can take time to resolve and can be stressful and time consuming for the consumer. This can especially be so when a claim is suspected of being fraudulent. This service wouldn't ordinarily consider asking a business to pay compensation to a consumer just because a claim was difficult to resolve and took time. We would consider whether a business acted fairly and reasonably without avoidable delays.

In this case Trinity Lane needed to carry out an investigation into what happened, including taking a statement from Mr R, getting an engineer to inspect Mr R's car and report on whether there was any damage which could be consistent with the alleged accident, obtaining information from the police, liaising with the third party insurer, obtaining details of the damage to the third party's vehicle and checking whether the third party had made similar claims in the past. Trinity Lane also had to wait for the claimant's solicitors to carry out their own investigation and had to chase them up several times for information. Over a year after the alleged accident, Trinity Lane was informed by the claimant's solicitors that the claim had been withdrawn. Trinity Lane says it then immediately took steps to close the claim, on a full non-fault basis, with Mr R's No Claims Bonus not prejudiced.

Mr R says the claim was only resolved because of the work that he did. However I can see that Trinity Lane was mostly proactive in investigating what happened. But there was a period of some four to five months when things slowed down and Mr R had to chase up what was happening. I think it would be fair and reasonable for Trinity Lane to pay Mr R £100 compensation in recognition of this.

Mr R has provided no evidence that anything Trinity Lane has done has caused an increase in his insurance premiums. I therefore don't think it would be fair or reasonable to expect Trinity Lane to compensate him for this. It was Mr R's choice to obtain legal advice. It isn't usually necessary for a consumer to take legal advice in dealing with a relatively straightforward claim such as this, and I don't think it would be fair or reasonable to expect Trinity Lane to pay for it.

My final decision

For the reasons given above I uphold Mr R's complaint. I require Trinity Lane Insurance Company Limited to pay Mr R £100 in recognition of the inconvenience caused to him by the period of delay in dealing with the claim against his policy.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 20 February 2024.

Sarah Baalham
Ombudsman