

The complaint

Mr C complains Accredited Insurance (Europe) Ltd handled his motor insurance claim poorly.

Accredited's been represented by agents for the claim and complaint. For simplicity I've referred to their actions as being Accredited's own.

What happened

In January 2023 Mr C's vehicle was stolen. It was recovered a few days later. Mr C claimed against his Accredited commercial motor insurance policy. A police inspection found no damage. Mr C wasn't satisfied. Accredited agreed to arrange an inspection by an engineer. In late March 2023 it received the report. This found the vehicle was damaged and wasn't roadworthy. In early May 2023 Accredited delivered it to its approved repairer (AR).

Mr C was unhappy with how the claim was progressing so complained. Accredited issued a response on 12 May 2023. By that point it was still waiting for a repair estimate from its AR. It apologised for delays in the repair process. It offered Mr C £150 compensation.

In September 2023 Mr C referred his complaint to this service. He explained his dissatisfaction with Accredited's handling of the claim up until completion of repairs in mid-August 2023. He said during the claim he had to pay the lease payments, was left without regular use of a vehicle and lost income. He wasn't satisfied by Accredited's compensation offer – he felt it should cover his lease payments.

Our Investigator considered events up to the date of the final response letter – 12 May 2023. She found there had been significant delays with the claim during that period. She recommended Accredited pay Mr C £385 to compensate him for being without his vehicle. She didn't think the £150 compensation already offered was enough to reflect the unnecessary distress and inconvenience caused by its handling of the claim. She recommended it pay Mr C a total of £300.

Mr C was pleased his complaint had been upheld. Accredited didn't provide a response. As the complaint hadn't been resolved it was passed to me to decide.

In line with the Investigator I've looked at events up until the date of the final response letter. I understand Mr C's unhappy it took until August 2023 for repairs to be completed. However, Accredited hasn't been given an opportunity to respond to his concern about its handling of the claim after the date of the final response. If Mr C would like that considered by this service, he should first allow his insurer an opportunity to do so by raising a further complaint.

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.

Unfortunately some inconvenience and time without the vehicle is to be expected in a claim of this type. However, I'm satisfied Accredited, in the period cover by this complaint, caused avoidable delay and additional inconvenience for Mr C.

I don't intend to go into detail about the individual elements of the poor claims handling. I'll instead set out a summary of the key factors. The vehicle was recovered in late January 2023. Around 15 weeks later it was with the AR, but still awaiting a repair estimate. There's no set time for these things – but I'd usually expect the claim to have progressed much quicker than that.

I've considered Mr C's timeline and the information provided by Accredited. Having done so, I'm satisfied it (or its agents) was primarily responsible for the slow progress of the claim. As an example it took around six weeks to arrange collection of the vehicle, from police storage, for an assessment of damage. Around six weeks later Accredited's AR still hadn't provided a repair estimate.

It's difficult to be certain by exactly how much Accredited's errors in this period will have extended the life of the claim. But I'd say it's at least a month. Mr C hasn't reported any additional cost resulting from being without the vehicle – such as for a hire vehicle. He's asked for his lease payments to be covered. Our Investigator recommended Accredited pay him £385 to compensate him for being without the use of the vehicle. I consider that amount a reasonable contribution towards the lease payments – being roughly the equivalent of one month's payment. So Accredited will need to pay Mr C £385.

Mr C's outlined the inconvenience caused by being without the vehicle. He said on occasions he had to borrow a vehicle, arrange lifts from others and sometimes couldn't make meetings at all. He would have experienced some of this even if the claim had been handled efficiently. But I'm satisfied Accredited's poor handling will have caused him to experience this over an extended period. In addition I can see, from Accredited's file, that Mr C had to invest a fair amount of time and effort in attempts to progress the claim.

I agree, with the Investigator's recommendation, that a total of £300 (including the £150 offered in the complaint response) will be a fair amount for Accredited to compensate him for this unnecessary distress and inconvenience he's experienced.

My final decision

For the reasons given above, Accredited Insurance (Europe) Ltd is required to pay Mr C a total of £685 (if it's already paid him the £150 previously offered it can deduct that amount). If Accredited doesn't settle, within 28 days of Mr C informing this service he's accepted this final decision, it will need to add simple interest, at 8%, until the date it does make payment*.

* If Accredited considers it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr C how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 February 2024.

Daniel Martin
Ombudsman