

The complaint

A limited company, which I will refer to as J, complains about the assistance provided by Saffron Insurance Services Ltd in relation to a commercial vehicle insurance claim.

What happened

The following is intended only as a brief summary of events.

J operates as a farming business. It held a commercial vehicle insurance policy, underwritten by a third-party insurer, which I will refer to as T. This policy was arranged by Saffron in its role as J's insurance broker. Saffron was not a party to the contract of insurance, which was between J and T.

However, J had its own contract with Saffron under which certain services were provided. As well as arranging the insurance, the terms of business effectively said that Saffron would provide J with all reasonable assistance with any claim J had to make. And that this would likely include providing J with assistance in submitting a claim and in seeking to obtain reimbursement for J.

In September 2022, one of J's vehicle suffered damage and J contacted Saffron to begin the claims process under the policy. Saffron contacted T and a claim started. J is dissatisfied with the time taken for the claims process and the settlement offered by T, including that it was not made clear that the amount offered was in full and final settlement. J complained to Saffron saying it should have done more to resolve these issues.

Saffron responded to the complaint. It said that T was responsible for settling the claim. But that it would pay J £250 to compensate it for the time taken in chasing Saffron for communication responses, etc. J was not satisfied with this, and brought its complaint to the Financial Ombudsman Service.

After this referral had been made, Saffron increased the compensation offered to £1,000. And our Investigator thought this was a fair and reasonable offer. He explained that many of the issues J had raised were seemingly about problems J had with T's actions and decisions. He did agree that Saffron's communications with J were not to the level that could reasonably be expected, including issues with delay and with how T's settlement offer was communicated. But he thought that £1,000 was suitable compensation to reflect this.

J remained unsatisfied and so its complaint has been passed to me for a decision.

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 have come to the same outcome as our Investigator. I'll explain why.

J has made a number of specific points relating to its dissatisfaction with Saffron. However, I will not address these individually. Instead, I have taken a holistic view of the circumstances

and focussed on what I consider to be the key issues. Not addressing each point individually is not meant as a discourtesy to J, but rather this reflects the informal nature of the Ombudsman Service.

The first issue I feel it is necessary to address is about the relevant roles of the parties involved. A number of other third parties have also been involved, and the various brandings of certain companies have added to the complexity. But I have only referred to J, Saffron, and T as these are the key parties. J is a customer of both Saffron and T.

I note J has said that it did not engage T. However, the contract of insurance is between J and T. Saffron may have arranged this contract, but the agreement itself is between J and T.

Saffron's role where a claim is made is limited. Saffron has no responsibility, or authority, to actually settle a claim made by a customer. J's contract with T sets out what situations are covered by the insurance, and how settlements will be made. This includes issues over salvage and whether a claim is settled on a repair or cash payment basis.

It should also be pointed out that Saffron is not even a loss assessor. Whilst its terms of business set out that it will provide reasonable assistance with a claim, there are limits as to how far this can reasonably be expected to go. As our Investigator has said, Saffron's role was essentially to act as a liaison between J and T, where this was required.

Taking things as a whole, I can see that Saffron obtained information T required from J and passed this on. Saffron then communicated T's response on the claim to J. I note that T was also communicating directly with J at times. There were issues with the timeliness and quality of some of Saffron's communication. But, aside from these issues, I consider Saffron met its requirements under the terms of business and in general. The requirement to provide "reasonable assistance" does not place a burden on Saffron to continue to indefinitely dispute a claim with an insurer, on a customer's behalf.

I consider, taking things in the round, Saffron has provided as much assistance with the claim as is reasonable to expect. It is now open to J to liaise directly with T to resolve any issues with the claim settlement that it considers outstanding. I do not consider it is fair and reasonable to expect Saffron to resolve these.

That said, there were some delays with communication, a lack of updates at times – including during a period after Saffron's initial case handler had left the business – and with how clear Saffron was over the settlement offer T made. In terms of this last point, T's offer was seemingly made in full and final settlement of the claim, and Saffron was aware of some of the financial breakdowns that this offer was made up of. I don't think Saffron was as clear as it could have been over this offer though.

However, I don't agree with J that these failures have had the level of detriment that J has indicated. I consider that £1,000 compensation for these is more than adequate. And it follows that I consider this offer to be fair and reasonable.

Putting things right

Saffron Insurance Services Ltd should pay J £1,000 compensation if it has not already done so.

My final decision

My final decision is that the offer of settlement made by Saffron Insurance Services Ltd is fair and reasonable.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 12 July 2024.

Sam Thomas
Ombudsman