

## **The complaint**

Mr W, a sole trader, complains about the handling of his motor insurance claim by Accelerant Insurance Europe SA/NV UK Branch.

## **What happened**

The following is intended only as a brief summary. Additionally, whilst other individuals have been involved in correspondence and so on, for the sake of simplicity, I have just referred to Mr W and Accelerant.

Mr W has a number of insurance policies to cover his business. One of these is a motor insurance policy, provided by a different insurer – which I'll refer to as B. Another is a Goods in Transit and Liability policy, underwritten by Accelerant. One of Mr W's vehicles was damaged in 2022, and he contacted Accelerant, via its agent, to raise a claim.

Accelerant acknowledged the notification and started to look into the claim, instructing engineers to assess the damage, etc. It was not until about eight weeks later that Accelerant informed Mr W that the claim had been submitted under the wrong policy, and that he would need to contact B.

Mr W complained about this, and said that Accelerant should have identified this issue sooner. And that, as a result of the delay, he had been without his vehicle for longer than he otherwise would have. Accelerant apologised for the error, and offered Mr W £250 compensation. It also said that it would consider any financial losses Mr W had suffered as a result, provided Mr W could document these.

Mr W referred his complaint to the Financial Ombudsman Service. He said that the delay had caused a loss of 20 weeks' income, at £2,000 per week. He provided a letter from one of his commercial customers in support of this loss.

Our Investigator thought that, whilst Mr W had been without his vehicle for a number of months, it was not fair or reasonable for Accelerant to be responsible for all of this. Accelerant had caused a delay of around eight weeks, so should be accountable for that. But it always would have taken some time to get the vehicle repaired.

Our Investigator was not persuaded that the letter from Mr W's customer showed what the loss would have been over the relevant eight-week period. But he did think Mr W had likely suffered some losses, so recommended that this be calculated by comparing this period in early 2023, with the equivalent period in 2022, and paying the difference in profit Mr W had earned. The Investigator also said that Accelerant should add interest to this settlement, something it had not previously offered.

Accelerant did not respond to the Investigator's recommendation. But Mr W said that the delay had been ten weeks. And that the circumstances had caused him a great deal of stress.

As our Investigator had been unable to resolve the complaint, it was 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.

Largely speaking, the facts of this case are not in dispute. The relevant claim was reported to Accelerant on 22 November 2022. It was not until 19 January 2023 that Accelerant informed Mr W that he would need to contact his motor insurer. During this period, Accelerant had led Mr W to believe that his claim was being progressed.

So, whilst the initial error here was Mr W's – in that he should have contacted the correct insurer – Accelerant accepts that it ought to have informed Mr W as soon as the claim was made that this was not the correct policy for that claim. And so, it is reasonable to hold Accelerant responsible for the impact of this.

The impact results from the fact that Mr W did not report his claim to the appropriate insurer for just over eight weeks. This means that the repair of his vehicle did not start as early as it, most likely, otherwise would have – and so consequently also did not finish as early as it otherwise would have. Therefore, Mr W was without his vehicle for a period of time that he otherwise would have had it. As a result, I consider it fair and reasonable that Accelerant compensate Mr W for the loss of income caused by him not having this vehicle for the additional period of time he was without it.

It should be noted that I do not consider it fair or reasonable to hold Accelerant responsible for any periods where Mr W did not take prompt action or where B caused delays. For example, if Mr W did not contact B as soon as Accelerant informed him that he needed to, that delay would not be due to Accelerant.

The period 22 November 2022 to 19 January 2023 is eight weeks and two days. This is the length of time Accelerant's error added to the process. However, the vehicle would always have been in a damaged condition during this time. The relevant period of time for the calculation of compensation is the eight weeks and two days prior to when his vehicle was returned. Mr W's vehicle was returned on 3 April 2023, so the compensation should be based on the period 4 February 2023 to 3 April 2023.

I consider that the fair way to calculate this compensation is for the profit Mr W's business made during the period 4 February 2023 to 3 April 2023 to be compared with the period 4 February 2022 to 3 April 2022. And for Accelerant to pay Mr W the difference. I have not been provided with any evidence to suggest that there were significant variations between the potential earnings in this period, other than in relation to the loss of the vehicle.

I also think that the fact Mr W has been without this money since he otherwise would have made it needs to be taken into account. So, Accelerant should add interest to the settlement at a rate of 8% simple per annum. This should be calculated from the date the money otherwise would have been earned, to the date of the settlement. I.e. the money that otherwise would have been earned on 4 February 2023, should have interest added from that date, whereas the money that would have been earned on subsequent days should have interest added from those days.

This would put Mr W in the financial position he otherwise would have been in, had it not been for Accelerant's error.

Mr W has said that the whole process has been stressful for him. I am sorry to hear about the impact on his health. However, I note that Accelerant has offered him £250 compensation for the issues caused. Taking all of the circumstances of the complaint into account, including that the vehicle was always going to need repairing and that the initial contact was made by Mr W, I consider this to be fair and reasonable compensation for the issues Accelerant was responsible for.

### **Putting things right**

Accelerant Insurance Europe SA/NV UK Branch should put things right by compensating Mr W for the loss of profit he made as a result of its error. Accelerant should also add interest onto this settlement. The losses and interest should be calculated as set out above.

If it has not already done so, Accelerant should also pay Mr W £250 compensation.

### **My final decision**

My final decision is that I uphold this complaint. Accelerant Insurance Europe SA/NV UK Branch should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 31 May 2024.

Sam Thomas  
**Ombudsman**