

The complaint

Ms T complains about Royal & Sun Alliance Insurance Limited (“RSA”) and the service they provided to her when contacting her directly following a claim she made on her insurance policy.

What happened

The claim and circumstances are well known to both parties, so I don’t intend to list them chronologically in detail. But to summarise, Ms T held a motor insurance policy underwritten by RSA, that was provided as part of the scheme used to provide her with a Motability vehicle. This scheme was the responsibility of a separate company, who I’ll refer to as “MOL”.

Unfortunately, Ms T was involved in a road traffic accident. So, she made a claim on her motor insurance policy. But she was unhappy with the service she received during this process and so, she raised several complaints.

Our service has handled several of these complaints about RSA under another complaint reference, which has since received an Ombudsman’s final decision. So, I won’t be referring to the complaint points this decision covered. But during this process, Ms T raised additional complaints, which were put to the business. This included Ms T’s belief that calls RSA made to her directly had impacted her mentally in such a way that she’d need counselling treatment at a cost she wanted RSA to cover. And, that the repairer RSA instructed, who I’ll refer to as “X” had also provided a poor level of service in a call. Ms T also raised concerns about the level of support she was provided through the grant system, and the way she was chased through debt collection for her outstanding excess payment.

RSA responded to the complaint and upheld it in part. They didn’t think they needed to cover the counselling treatment costs Ms T incurred. But they accepted X had failed to handle a call with Ms T appropriately, and they paid Ms T £200 to recognise any distress and inconvenience this caused. Ms T remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and didn’t uphold it. They explained the grant system, and any debt collection activity regarding the outstanding excess, were the responsibility of the scheme provider, MOL, rather than RSA. So, they didn’t think they were able to hold RSA responsible for any upset Ms T felt regarding these.

And they explained they hadn’t seen evidence of calls between RSA and Ms T directly around the time Ms T says she received them. So, without this, they didn’t think they were able to say RSA should be held responsible for the counselling costs Ms T incurred. But they did agree X had acted unfairly on a call with Ms T, explaining why they thought the £200 RSA paid to recognise the distress this caused was a fair one. So, they didn’t think RSA needed to do anything more.

Ms T didn't agree. She felt her disability, and how RSA's treatment had impacted this, had been disregarded. And while she initially stated she would provide our service with medical evidence and call records, she explained she couldn't afford the costs of obtaining this information, nor did she think it was fair for our service to expect her to. So, she maintained her belief that RSA had treated her unfairly in a way that hadn't been reasonably compensated for, and her 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'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the impact this complaint has had on Ms T. I understand Ms T is suffering with ongoing mental and physical health conditions, which I don't doubt has made her engagement with her insurance claim more difficult. And this decision isn't in any way intended to dispute Ms T's testimony or take away from her lived experiences and the distress and inconvenience she's made clear she's suffered.

I also want to recognise the confusion that I think's been caused by the number of parties involved in the claim, which range from RSA as the insurer, repairers, the scheme provider and solicitors. Because of this, I don't doubt Ms T has received extensive direct communication and I can appreciate why Ms T would assume that most of this contact came from RSA, as they were the underwriter of her insurance policy. And as Ms T's unhappiness originated from a claim on this policy, I do understand why she's raised complaints about them.

But for me to say RSA should do something more than they have already, I need to be satisfied they've done something wrong that hasn't been adequately compensated for by the £200 they've already paid in their most recent complaint response. And in this situation, I don't think that's the case. And I'll explain why.

Before explaining why I've reached this decision, I think it's important for me to make clear what I've been able to consider, and how. This decision focuses solely on the complaints Ms T raised in her most recent complaint to our service, that haven't already been considered and addressed by an Ombudsman under her other complaint reference. So, any issues addressed in the Ombudsman's final decision issued in July 2023 won't be discussed in any further detail here.

And I want to make it clear that, within this decision, I can only consider the issues and service that RSA are responsible for, in their role as the insurer and policy underwriter. I recognise Ms T has raised concerns about the support she received when using the grant system, and the way her outstanding excess debt was collected.

But I can see that both these issues are the responsibility of the scheme provider MOL, rather than RSA. So, they will need to be directed to MOL directly for them to issue a complaint response and I won't be commenting on them further here.

I've then turned to what I can consider, which centre around the service provided to Ms T on calls between herself and RSA. And this included the service provided by the repairer, X, as X were acting as an agent of RSA during the claim process.

But when considering this, I've had to ensure any decision I've reached falls in line with our service's standard approach, which is created using the rules and regulations set by the industry regulator. And under this approach, any decision I reach must be based on the evidence that's been presented.

In this situation, from RSA's system notes, I can't see that there were any calls made by RSA directly to Ms T around the time she's stated. And Ms T has confirmed she is unable to provide call records to show when she did call RSA, as she's been unable to obtain these from her phone provider. So, without any evidence that calls did take place, I'm unable to say for certain that they did and so, I don't think it would be fair for me to say that RSA did something wrong, that then led to Ms T requiring additional counselling at an extra cost. So, I don't think I'm able to say RSA should cover these costs here.

I recognise Ms T doesn't agree. And I have reviewed the email she refers to, which she says was sent after she received a call from RSA. But this email refers to Ms T's unhappiness at being chased for payment of her excess. And as I've set out above, I'm satisfied any debt collection activity was conducted by, or the responsibility of, the scheme provider MOL, rather than RSA themselves. So, from this email, I think it's most likely the calls regarding the excess were made by a company separate to RSA.

And I also want to reassure Ms T I have thought about her comments regarding the costs entailed to obtain phone records. And, why she doesn't think it's fair to expect her to incur these costs to support her position. While I'm in no way disregarding this financial impact, this doesn't alter the fact that our service is an impartial, and independent, evidence-based organisation. So, there is an expectation for both parties to provide evidence to support their position. And to remain fair and independent, we'd expect either party to incur the costs necessary to obtain evidence they wish to rely on. So, this hasn't altered the decision I've reached.

But I do note it's accepted that there was a call between Ms T and X, the repairer appointed by RSA. And I note it's accepted by RSA that there were errors in the way this call was handled, which would've been distressing for Ms T. As this is accepted, I don't intend to discuss the merits of this issue any further and instead, I've turned to RSA's payment to put things right.

I've seen RSA paid Ms T a total of £200 to recognise the distress this would've caused. And I also note from RSA's system notes that on 11 May 2023, Ms T emailed RSA accepting this offer as resolution to the distress caused by X. And, that her continued dissatisfaction related to the issues I've already considered above. So, I do think it would be reasonable for me to assume this complaint issue had been adequately resolved by this payment.

But for completeness, I've thought about this payment if Ms T hadn't accepted it. And having done so, I think it's a fair one that falls in line with our service's standard approach and what I would've directed, had it not already been made. This is because I think the payment is significant enough to consider Ms T's mental health and her vulnerabilities and how this would've made the impact of X's poor service worse.

But I do think it also fairly reflects the fact it was poor service shown on just one call, rather than a poor level of service repeatedly, over several calls at different times. So, because of the above, I don't think RSA need to do anything more on this occasion.

I understand this isn't the outcome Ms T was hoping for. But I hope it provides some reassurance to Ms T that I have fairly considered her mental and physical health conditions against the service RSA provided, that they are responsible for. And, that having done so, I think the £200 they have paid is a fair compensatory amount on this occasion.

My final decision

For the reasons outlined above, I don't uphold Ms T's complaint about Royal & Sun Alliance Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 30 April 2024.

Josh Haskey
Ombudsman