

The complaint

Ms I complains about the delays One Insurance Limited made in handling her claim on her motor insurance policy. She wanted to know what was happening, for the claim to be settled and to be given one point of contact.

What happened

Ms I was involved in an accident with another driver on a roundabout in August 2022. One Insurance initially accepted liability in full but it retracted this and pursued a 50/50 split liability settlement. But its communication about this with Ms I was poor. Ms I said she didn't want her car repaired until liability was agreed. After Ms I complained about a lack of updates and delays, One Insurance agreed there had been mistakes in the claim. It offered Ms I £450 compensation for this. But Ms I was unhappy with this.

Our Investigator didn't think One Insurance needed to do anything further. She thought One Insurance had reasonably decided to settle the claim as split liability as it was entitled to do by the policy's terms and conditions. She thought the policy excess was payable as the first part of the claim. And she thought One Insurance's offer of compensation for its service failings was fair and reasonable.

Ms I replied asking for an Ombudsman's review, so her complaint has come to me for a final decision. She said One Insurance had provided her with a consistently poor standard of customer service. Ms I also thought One Insurance hadn't done enough to defend her claim. Ms I wanted £700 further compensation for its failure to investigate the claim and represent her position. And she wanted One Insurance to correct her address on its records, provide a named contact person and respond to her questions about liability.

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.

Ms I brought her complaint to us about a year after the accident. She said her claim was unresolved, she had had little contact from One Insurance, and it hadn't responded to her complaint. I can understand that she felt frustrated and stressed by this. One Insurance responded to Ms I's complaint some three months later and it accepted it had made errors:

- It had initially accepted liability for the incident and approved repairs to the other driver's car without gaining full information about the circumstances. This was later changed to a 50/50 stance, but the other insurer hadn't responded to this retraction of liability.
- I can see that Ms I challenged One Insurance's acceptance of full liability, and this was then changed to a split offer. But I think this could have been avoided if One Insurance had had a better understanding of the accident circumstances before deciding liability.
- One Insurance hadn't followed this up sufficiently with the other insurer or explained to Ms I why liability was retracted due to its agents' errors. This may have caused delays in the claim and certainly caused Ms I upset. One Insurance isn't responsible for the other insurer's delays in responding to its requests. But I think it should have prompted it further. And it may have had a better response if it hadn't so hastily paid the claim.

- One Insurance hadn't contacted Ms I to update her about the claim or to provide assurance that this was being progressed. One Insurance is obliged to deal with claims promptly and fairly. And I can understand that Ms I was very disappointed when she contacted it after six months to find there had been no progress made.
- This left Ms I having to try and contact One Insurance which it accepted was difficult due to contact volumes. And I can understand that this caused Ms I much frustration and inconvenience.
- One Insurance didn't refer Ms I to its repairs team. But it did provide her with a link where she could have done this. And Ms I was reluctant to have repairs made until liability was agreed. So I can't see that this error caused her any loss.
- And One Insurance didn't record Ms I's complaint correctly. We can't consider a complaint about complaint handling only as it isn't a regulated activity. But we can consider such a complaint where it is part and parcel of the claim, as here where it's about delays and lack of progress. And I think this error caused Ms I further avoidable stress and frustration.

I've only considered here Ms I's concerns with how her claim was handled up to the point when One Insurance finally responded to them. If Ms I has further concerns after that point, then she will need to raise these as a separate complaint.

When a business makes mistakes, as One Insurance accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the error had on the consumer.

The investigator has already explained that it isn't our role to decide who was responsible for causing the accident. This is the role of the courts. Instead, our role in complaints of this nature is simply to investigate how the insurer made the decision to settle the claim. Did it act fairly and reasonably and in line with the terms and conditions of the policy? And has it treated Ms I the same as someone else in her position.

Ms I thought One Insurance had prejudiced her possible claim against the other insurer. But One Insurance is entitled under the terms and conditions of its policy with Ms I to take over, defend, or settle a claim as it sees fit. Ms I has to follow its advice in connection with the settlement of her claim, whether she agrees with the outcome or not. This is a common term in motor insurance policies, and I do not find it unusual. Insurers are entitled to take a commercial decision about whether it is reasonable to contest a third party claim or better to compromise.

That said, we expect an insurer to reasonably investigate a claim and consider the evidence available before making its decision on liability. And I agree with One Insurance that it didn't do this here.

When Ms I first reported the accident, it decided with an incomplete understanding of the lanes of the roundabout that she was 100% at fault. And so it accepted liability and approved the other driver's claim for repairs without getting their version of events or checking the layout.

One Insurance later considered the damage to the cars. And it thought that as there wasn't any CCTV footage of the accident or independent witnesses, it thought a 50/50 split settlement was the best possible outcome. I think that if it had not been so hasty at the start, it would have reached this conclusion. And I think it's fair and reasonable in the circumstances.

One Insurance has also explained that it is now pursuing the other insurer for its outlay. And it has repeated its offer to repair Ms I's car. So I think that restores Ms I's position, up to the point where it responded to her complaint. Ms I now wants to understand the implications of a 50/50 settlement, and I think it's for One Insurance to explain this to her.

Getting to this point has caused Ms I much stress and frustration. But she was kept mobile as her car was driveable and roadworthy, albeit with one door not closing properly. Ms I had to make contact repeatedly with One Insurance when it should have been keeping her updated.

One Insurance has now offered Ms I £450 compensation for this trouble and upset. And I think that's in keeping with our published guidance where there have been repeated errors over time that caused such an impact. I don't require One Insurance to increase this offer.

Putting things right

I require One Insurance Limited to pay Ms I £450 compensation for the distress and inconvenience caused by its handling of her claim, as it's already agreed to do.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require One Insurance Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms I to accept or reject my decision before 6 May 2024.

Phillip Berechree
Ombudsman