

The complaint

Miss A has complained about an error Royal & Sun Alliance Insurance Limited (RSA) made in how it recorded a claim she made for repairs under her car insurance policy. Miss A has complained about the impact it had on her ability to claim for uninsured losses.

What happened

Miss A made a claim for damage to her front bumper in November 2020. Before the repairs to the bumper were carried out, unfortunately Miss A's car was damaged in the same area in an incident involving an untraceable driver in March 2021.

RSA arranged for Miss A's car to be repaired and it closed both claims.

Miss A's representative was liaising with the Motor Insurer Bureau (MIB) for uninsured losses on her behalf from the March 2021 incident. In February 2023 RSA discovered it had incorrectly recorded all of the damage claim costs under the claim from November 2020. And it had incorrectly relayed to the MIB that there were no outlay costs for the March 2021 claim.

Miss A complained to RSA. She and her representative asked RSA to provide an engineer report with a breakdown of the costs for the damage for the March 2021 incident only.

One of RSA's engineers said that a breakdown wasn't possible as Miss A's car hadn't been inspected by an engineer until after the March 2021 incident. So no report existed for the first set of repairs. They explained that the repairs had been carried out once to the area that had been impacted in two separate incidents. All they could do was provide a split of the costs as a percentage – as the impact damage from the March 2021 incident was more severe. RSA did this.

RSA apologised for the error it had made. For the distress and inconvenience caused, it offered to pay Miss A £150 compensation.

Our Investigator thought RSA had done all it could to resolve the complaint – as it couldn't provide something which didn't exist. But he thought RSA should pay a higher award of compensation to reflect the distress and inconvenience its error had caused. And he recommended RSA liaise with the MIB to clarify the issues it has caused.

The Investigator recommended RSA pay a further £250, bringing the total compensation award to £400.

RSA accepted the Investigator's view. Miss A accepted the Investigator's findings generally but didn't agree that £400 compensation was enough to resolve her complaint. So she wants an ombudsman to decide.

Miss A has recently provided a copy letter from the MIB about the March 2021 claim. As the Investigator explained, this service can only look at issues raised up to the date RSA responded to the complaint, which was on 9 November 2023.

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.

There's no dispute that RSA made an error in how it recorded the repair costs for Miss A's car under her claim in March 2021.

Because the area of impact was the same for both incidents, this made the repairs – and any attempt to subsequently break down the costs of the damage for each incident, a complicated one. As there was no engineer report for the first incident, it isn't possible for RSA to break down the costs of each repair as Miss A wants – in order to present to the MIB for her claim with them.

RSA has apologised for its error and the distress and inconvenience it has caused. I agree with the Investigator that the compensation of £150 isn't enough to put things right. I understand that Miss A has received medical treatment and she has been caused distress by RSA's error as it may impact on her claim. I appreciate that Miss A is living with existing health issues – before the incident – and the error caused by RSA will have no doubt had a negative affect on her.

When looking at compensation awards, I've looked at the distress and inconvenience caused by RSA's error. The impact of the incident itself isn't something I can take into account in this consideration. But that doesn't mean I think any less of the issues Miss A is going through.

Taking everything into account, I think RSA needs to do more to resolve Miss A's complaint. While I understand Miss A doesn't agree, I think a fair and reasonable outcome is the one the Investigator has recommended, which I've set out below.

My final decision

For the reasons I've given above, my final decision is that I uphold this complaint. I require Royal & Sun Alliance Insurance Limited to do the following:

- Liaise with the MIB, clarify the error it made and offer its co-operation to assist Miss A's claim.
- Pay Miss A a total compensation award of £400, so a further £250 if it has already paid Miss A £150 compensation for the distress and inconvenience caused.

Royal & Sun Alliance Insurance Limited must pay the compensation within 28 days of the date on which we tell it Miss A accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 29 May 2024.

Geraldine Newbold
Ombudsman