

The complaint

Mr L complains that One Insurance Limited (One Insurance) delayed settling a claim resulting in court papers being sent to him directly. He says it also communicated poorly when dealing with his claim, under his motor insurance policy.

What happened

On 2 November 2022 Mr L was involved in a car accident. He tried to contact One Insurance straight away but experienced long waits for his calls to be answered. This delayed reporting the accident until 4 November. Mr L says One Insurance charges an additional fee for late reporting.

Mr L says he has spent many hours on the phone and on web chats to One Insurance regarding his accident claim. He's also spent time writing and posting letters. He says One Insurance provided a poor standard of service, necessitating this level of contact.

In October 2023 Mr L received contact from the third party's insurer (TPI) threatening court action. He says he called One Insurance the same day and was told to forward the paperwork, which he did. He says he also wrote to the TPI to acknowledge receipt.

In its final complaint response One Insurance says it arranged for the repairs to Mr L's vehicle between February and March 2023. However, it hadn't paid the TPI's costs. One Insurance acknowledged a lack of updates notifying Mr L of the progress of his claim. It offered him £200 compensation as an apology.

Mr L didn't think he'd been treated fairly by One Insurance. He says he and his wife were caused stress and inconvenience because of the poor communication and difficulty getting through to a claim's handler. In addition, they became anxious following the threat of court action. Mr L says his wife suffered panic attacks and required medication. Because of all of this he referred the matter to our service.

Our investigator upheld his complaint. She says Mr L was threatened with court action for something One Insurance was expected to deal with. She says One Insurance acknowledged the case hadn't progressed between February and August 2023. Our investigator thought a total compensation payment for £500 was fairer given the stress and inconvenience One Insurance had caused.

One Insurance didn't accept our investigator's findings and asked for an ombudsman to consider the complaint.

It has been passed to me to decide.

I issued a provisional decision in March 2024 explaining that I was intending to not uphold Mr L's complaint. Here's what I said:

provisional findings

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, my intention is to not uphold Mr L's complaint. I'm sorry to disappoint him but I will explain why I think my decision is fair.

I can see that Mr L raised an earlier complaint in 2022. One Insurance responded to this in November. It paid £30 compensation and apologised for the difficulties Mr L described when getting through to its agents and for not calling him back when his call on 4 November had cut-off. For clarity the issues raised in this earlier complaint, weren't referred to our service and don't form part of my considerations here.

Mr L contacted our service in November 2023, following One Insurance's complaint response, which it sent in October. My decision will focus on the concerns Mr L raised in this complaint. This is about the threat of court action he received from the TPI.

From the claim records, and from what One Insurance has explained, Mr L's car was in for repairs in February/March 2023. At this time, it explains that there were costs incurred by the TPI that One Insurance hadn't yet paid.

The claim records from around the time of the incident state that Mr L had collided with the rear of a stationary vehicle. The notes indicate he was considered fully at fault for the accident. Based on this evidence, One Insurance was responsible for paying the full costs of the claim, including those costs incurred by the TPI.

There are no claim records from February 2023 until August. The TPI's agent sent an email in August regarding settlement of its hire vehicle and accident repair costs. I can see One Insurance raised a payment at the beginning of October. The notes indicate authorisation was needed before this payment could be released. The claim records then end on 1 November.

I acknowledge Mr L's comments that he and his wife were distressed when they received contact from the TPI threatening court action. I can understand that this must have been upsetting for them. However, Mr L was able to speak to One Insurance the same day as receiving the TPI's letter. It told him the claim had been settled and to forward the information he'd received. I acknowledge this caused him inconvenience as he had to scan, and email, around forty pages. He also wrote to the TPI via recorded post.

Based on this evidence One Insurance was at fault for not progressing the claim from February 2023 until much later in the year. It's not clear why the TPI wrote to Mr L. One Insurance was dealing with the matter and was responsible for settling the claim costs. However, I accept that the delay in progressing matters from February to August could've played a part in the TPI contacting Mr L directly.

In its submissions to our service One Insurance says it assured Mr L that the claim would be settled. This was when he made contact on 9 October 2023. It says he was also told that he wouldn't need to make a payment.

Having considered all of this I don't think One Insurance treated Mr L fairly when it failed to progress his claim fully. It should've settled the TPI's costs in a timely manner. This has most likely resulted in the contact Mr L received from the TPI, which caused him distress and inconvenience. However, I think One Insurance acted reasonably when it apologised and offered him £200 compensation.

I've considered the impact the TPI's letter had on Mr L and his wife. But Mr L was made

aware that One Insurance would be dealing with the matter the same day as this letter was received. So, I think the impact this had was minimal. Because of this I won't be asking it to pay more than the £200 compensation it originally offered.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

Neither party responded with information or further comments for me to consider.

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.

As neither party has made any further submissions or provided further evidence for me to consider, I see no reason to change my provisional findings.

So, my final decision is the same as my provisional decision and for the same reasons.

My final decision

My final decision is that I do not uphold this complaint.

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

Mike Waldron
Ombudsman