

## The complaint

Mr E complains about how Accredited Insurance (Europe) Ltd (Accredited) dealt with a claim under his motor insurance policy for damage to his vehicle in an accident.

References to Accredited in this decision include their agents.

## What happened

In January 2023 Mr E's vehicle had an accident while being driven by his wife, at a time of snow and ice. Mr E said the vehicle skidded off the road into a ditch. He contacted Accredited to tell them about the accident and explained that following the accident several warning lights came up on the dashboard. Mr C thought this meant the vehicle unsafe to drive.

The vehicle was subsequently taken in for repairs at a repairer (B) to be assessed (March 2023), parts ordered and taken back for repair in June 2023.. B weren't clear how the dashboard warning lights were related to the accident, so the vehicle was taken to a manufacturer garage (S) who ran diagnostic tests (August 2023). S found corrosion of the vehicle wiring which, from its extent, they thought had been present for some time and unconnected to the accident, so wasn't repaired.

The vehicle was then returned to Mr E later in August 2023. However, there were still warning lights on the dashboard, indicating low coolant level. Mr E topped up the coolant, but the warning lights remained. The vehicle needed constant topping up of the coolant, with warning lights and buzzers (which weren't present before the accident). Mr E said he contacted S and was told they'd only been asked to run diagnostic tests and weren't told about which areas of the vehicle were damaged in the accident and subsequently repaired.

Concerned at the situation, Mr E complained to Accredited. In their final response they didn't uphold the complaint. They referred to S's findings about wiring corrosion and conclusion it had been present for some time (not connected to the accident). So, Accredited said they wouldn't cover the issue as part of the claim.

Mr E then took his vehicle to another manufacturer garage (V) who carried out repairs and other work to the vehicle (totalling £3,500.76). Some of the work wasn't connected to the accident, but Mr E maintained some was, including damage to the driver side undertray, crushed fuel pipe, missing undertray, exhaust damage and an ABS fault. Mr E said the work (totalling £1,512.90) should have been part of the repairs carried out to the vehicle following the accident. V could also find no fault with the vehicle wiring.

Mr E then complained to this Service. He was unhappy at what happened and damage and repairs he thought should have been identified (by B and S) and carried out and included in the claim had not been. He wanted the cost of these repairs to be covered by Accredited.

Our investigator upheld the complaint, concluding Accredited hadn't acted fairly. They felt there was a significant period between the accident and the repairs carried out by B, even allowing for assessment, parts being ordered and the vehicle being booked in for repair. While the repairs took some time, Mr E had a courtesy car for the period up to his vehicle

being returned. And while his vehicle was driveable before being taken in for repair, the warning lights would have caused Mr E distress and upset. They also thought the schedule of repairs from V more persuasive about work required to repair damage caused in the accident. Accredited said they didn't have any record of damage being reported about the underside of the vehicle, though Mr E provided email extracts indicating he did report the issue. Mr E having his vehicle repaired at V was reasonable, to ensure the vehicle was roadworthy. And V didn't say all the work was related to the accident.

To put things right, the investigator thought Accredited should reimburse Mr E for the damage repaired by V that was considered accident-related (a total of £1,512.90) and add interest from the date Mr E paid for the repairs to the date they reimbursed him, She also thought they should pay Mr E £500 for distress and inconvenience.

Accredited disagreed with the investigator's view and asked an ombudsman consider the complaint. They said it had taken time for the claim to be assessed due to, initially, investigating a previously undisclosed claim; difficulties finding an authorised repairer to complete the work; and waiting for parts to be obtained (there was a national backlog in obtaining parts – which was outside their control). On the damage to the undertray and fuel pipes, they weren't told about this until a month after the accident. And Mr E's initial description of the accident (a side impact to the vehicle) didn't mention anything that would have caused underside damage. They also provided a video from S referring to the vehicle damage being maintenance-related or due to corrosion (not a side impact).

Accredited also provided a statement from their engineer about the invoice from V setting out the repair work. While they accepted some was likely to be accident-related, the repairs to the undertrays, fuel lines and exhaust weren't reported to them as damaged in the accident and nothing in the accident report to indicate they could have been damaged in the accident (and therefore covered by the claim). But they would be willing to review the damaged (replaced) parts or discuss the issue with V. Accredited also thought the warning lights weren't accident-related and due to maintenance issues.

### **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.

My role here is to decide whether Accredited have acted fairly towards Mr E.

The key issue in Mr E's complaint is Accredited declining to cover repairs to damage Mr E says was caused by the accident and should have been included in the claim. Accredited say damage to the underside of the vehicle wasn't notified to them and, based on the diagnostic tests carried out by S, the issue with the warning lights wasn't related to the accident and so wouldn't be covered under the claim. A second issue is the length of time taken to assess the claim and for repairs (by B) to be carried out.

On the first issue, there are several aspects. Mr E says he told Accredited about the damage to the underside of his vehicle in February 2023, in an email (he has provided an extract). Accredited dispute this and in their response to our investigator's view state they weren't informed of the damage to the undertray and fuel pipes until a month after the repairs. However, I'm more persuaded by Mr E's view. I also find it surprising that the damage – which is clearly referenced in the video Accredited have provide from S – would not have been picked up by B whilst the vehicle was with them for repair. Particularly as Accredited say such damage would have been audibly evident whilst driving.

While S were asked to carry out diagnostic tests for the various warning lights (which Mr E provided photographic evidence to Accredited in February 2023) as I've mentioned above, in the video they clearly identify a missing undertray to the vehicle, coolant pump drip (which may account for the coolant warning light and Mr E having to top up the coolant frequently), crushed fuel pipe and damage to the exhaust. If these things were evident to S when they had the vehicle (in July/August 2023) it's unclear why they weren't to B whilst the vehicle was with them before then.

Given what Mr E says about the accident and the subsequent assessment and repairs by V, I'm persuaded on balance that the issues with the underside of the vehicle can reasonably be attributed to the accident. I also note this was something Accredited indicated in the early part of the investigation they were willing to accept (but later changed their position).

On the issue of the various warning lights, in their final response, Accredited refer to a report from S, which states:

*"This does not look like it is accident related, all we can assess is what we can currently see and because the corrosion is severe and spread, it proves that this has been there for some time."*

However, V take a different view. And it doesn't change my conclusion about the damage to the underside of the vehicle (which may or may not have caused some or all of the various warning lights to come on – I note Accredited's engineer accepts the ABS warning light may be related, although not the others).

Given these conclusions, I think it fair and reasonable Accredited reimburse Mr E for the cost of those items repaired by V which can reasonably be attributed to the accident, which total £1,512.90. But not the other items that make up the balance of the total invoice cost of £3,500.76. As Mr E has paid the invoice, then Accredited should add interest, at a rate of 8% simple, from the date Mr E paid the invoice to the date they reimburse him.

On the issue of the time taken to assess the claim, arrange and complete the repairs, I've considered the timeline of events. From the date of the accident in January 2023, Accredited say their underwriters took three weeks to investigate a previously undisclosed claim. They haven't provided any further details of this, but there's no indication it affected their acceptance of the claim and then looked to arrange repairs to the vehicle.

It then took a further two weeks to locate an approved repairer with capacity. Then a fortnight to authorise repairs. Parts were then ordered. Accredited say there was a national issue with parts availability, but the upshot was the vehicle wasn't taken in by B until mid-June, some three months later. The repairs themselves took a further two months (including the diagnostic checks by S) before the vehicle was returned to Mr E.

From what I've seen, Mr E enquired whether S could carry out the further repairs but was told they wouldn't have availability until November 2023. Given the prospect of a further delay, Mr E was able to engage V to carry out the repairs, which they completed before the end of September 2023.

While I accept Accredited can't be held responsible for national parts availability, it was their choice of approved repairer. And it took nearly two months to authorise repairs at B and a further three months until the vehicle was taken in for repair, followed by two months until the vehicle was returned to Mr E. Which makes a total of seven months from the date of the accident. Up until the vehicle was taken in by B, Mr E was having to drive the vehicle with various warning lights coming on, which I appreciate would have been stressful.

Looking at this timeline, I think Accredited should take responsibility for a significant proportion of the delays. And that some damage I've concluded on balance could reasonably be attributable to the accident (or at least identified as present). Combined with the warning lights, I think this would have caused significant distress and inconvenience to Mr E. Looking at the guidelines on awards for distress and inconvenience published by this Service, I think this caused significant distress, upset and worry over many weeks and months. Taking this together with the circumstances of the case, I've concluded £500 for distress and inconvenience would be fair and reasonable.

### **My final decision**

For the reasons set out above, it's my final decision to uphold Mr E's complaint. I require Accredited Insurance (Europe) Ltd to:

- Reimburse Mr E £1,512.90 for the cost of repairs to his vehicle.
- Pay interest, at a rate of 8% simple, on the £1,512.90 from the date Mr E paid the invoice to the date they reimburse him.
- Pay Mr E £500 for distress and inconvenience.

Accredited Insurance (Europe) Ltd must pay the compensation within 28 days of the date we tell them Mr E accepts my final decision. If they pay later than this they must also pay interest on the compensation from the date of my final decision to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 17 September 2024.

Paul King  
**Ombudsman**