

The complaint

Mr and Mrs H complained about the delays One Insurance Limited (“One Insurance”) caused in progressing their motor claim under their policy. They were unhappy with the poor communication received and with the damage caused to their car whilst been in the garage for repairs.

What happened

Mr and Mrs H’s car was stationary when it was involved in a small accident. A third-party, in their car, tried to squeeze past through a small gap next to Mr and Mrs H’s car. Unfortunately, there wasn’t enough room, and the third-party’s car scraped the side of Mr and Mrs H’s car causing damage.

Mr and Mrs H were told by One Insurance’s call agent that the third-party had accepted liability, although it did say this didn’t necessarily mean the third-party insurer would.

Mr and Mrs H were unhappy with the delays in the third-party insurer accepting liability. Mr and Mrs H were worried that if they had their car repaired, it would act as an admission of guilt and / or liability and impact their insurance history and future premiums. So, they didn’t want their car repaired, unless it was clear it would be classed as a “non-fault” accident. Mr and Mrs H blamed One Insurance’s poor communication and general handling of the claim for the delay in its progression.

One Insurance said it had set expectations at the start of the process that all claims are unique and can take varying amounts of time. However, One Insurance said, *“whilst we are not able to control either the responses or response times from the third-party insurer, upon review I do feel that there has been delays at periods regarding this matter being chased up with the third party”*. So, One Insurance offered £300 in compensation as an apology.

Mr and Mrs H were unhappy that whilst their car was in for repairs, it was damaged by One Insurance’s appointed contractors. One Insurance said, *“I can only apologise for this and can see that we will be booking the vehicle in for rectification work as soon as an automatic courtesy car is available”*. One Insurance offered a further £150 compensation for the distress and inconvenience caused.

Our investigator decided to uphold the complaint. She didn’t think One Insurance’s communication with the third-party insurer was effective and she thought it caused unnecessary delays. She asked One Insurance to pay a further £150 in compensation for the distress and inconvenience caused. Both parties disagreed, so the case has been referred to an ombudsman.

My provisional decision

I made a provisional decision on 6th August 2024. I said:

Our investigator’s shared her view before One Insurance’s had issued its final response in relation to a second complaint raised by Mr and Mrs H. They said One Insurance’s

contractors had caused damage to the car whilst it was being repaired. So, our investigator didn't have opportunity to comment on this point. I have decided to include this as part of my consideration, but will make my decision a provisional one, to allow all parties to formally respond on all matters.

I appreciate the expectation One Insurance set at the start of the claim. All cases are different and take different amounts of time. One Insurance has provided evidence of letters it sent the third-party insurer at different points where it was trying to attribute liability for the accident.

However, two years has passed, and Mr and Mrs H have been driving around in a damaged car as the claim hadn't been resolved. I don't think this is good enough, so I intend to uphold this complaint.

From communications between Mr and Mrs H and One Insurance, it's clear Mr and Mrs H didn't fully understand the claims process, even in the early parts of 2024. In 2023, Mr and Mrs H had refused repairs to their car, as they were concerned that it would act as an admission of liability. In 2024, it seems One Insurance had provided a better understanding, but Mr and Mrs H were still asking questions of One Insurance which weren't been answered.

I think if Mr and Mrs H were better aware of the process, they would've paid the excess payment on their insurance earlier and had their car repaired knowing that this action wouldn't have meant in insurance terms, they'd accepted the accident was their "fault".

One Insurance and their representatives deal with claims daily, so should be experts at the claims management process. In contrast, it's likely Mr and Mrs H will have infrequent exposure to claims management and will by default be novices. Therefore, I think it's only reasonable that One Insurance, the expert, provides Mr and Mrs H with leadership and direction throughout the process. Mr and Mrs H should be guided through the process at every stage. I don't think this has happened.

I can see Mr and Mrs H were unhappy they felt forced to communicate with One Insurance via a "livechat" facility. I don't think this is a fair gripe, as One Insurance had shared other ways for Mr and Mrs H to communicate with it. Therefore, I won't consider this point any further.

There is a verbal description of the incident from the third-party driver that is recorded. I've listened to this with interest. The details match the description of the incident that Mr and Mrs H have provided. I find this recording persuasive.

One Insurance clearly introduce themselves with the third-party driver, so I see no reason why it couldn't be used as evidence if needed in a court of law. The third-party, whilst at first sounding evasive, describes the incident. He explains Mr and Mrs H's car was not moving. He describes himself trying to manoeuvre through a small gap. His moving car hit the stationary car of Mr and Mrs H.

I don't think the third-party insurer can deny liability when this evidence is available. I think armed with this information, One Insurance should've been far more pro-active and front footed in progressing the claim. I don't think sending a standard chaser letter with limited details was the optimum approach.

I appreciate we will not know if a more pro-active approach would've been more successful. The third-party insurer may still have been evasive. However, I think One Insurance could've

accelerated the process and set out its planned legal process. Bottom line, I think it should've done more. This was a simple accident and liability had been admitted.

Mr and Mrs H have said they have not yet been re-paid their excess payment. I don't know if liability has yet been accepted, but if it has and One Insurance have recovered all the necessary costs then I'd expect it to have refunded Mr and Mrs H the excess amount from the policy. However, as I think the process should've been concluded quicker, I intend that One Insurance refund the excess (if it hasn't already).

Mr and Mrs H have asked for compensation of £2,500. I don't think this is realistic and it isn't in line with our compensation framework. However, I do think there is evidence distress and inconvenience caused by One Insurance's poor handling of the claim and inadequate communication. Mr and Mrs H's frustration will have been tested to the limit when their car was damaged in the workshop by One Insurance's contractors when they were carrying out repairs. However, it's right that One Insurance did have opportunity to rectify the fault that was made here.

In summary, the claim has taken up far too much of Mr and Mrs H's time. Any claim will inconvenience the claimants, but I think the time they've had to spend is far higher than I'd expect. They've not been without a car, as they have still been able to drive theirs. However, I think driving in a car that is damaged will have caused some distress, especially as the claim has been going on so long. The cumulative impact of the delays, poor communication and damage to the car will have added to the distress, over a long period.

Therefore, I intend to award further compensation of £400 (in addition to the £450 offered) to Mr and Mrs H for the distress and inconvenience caused, for the long-standing nature of this claim.

Responses to my provisional decision

Mr and Mrs H said:

"Thank you for coming back to me regarding our complaint and thank you for upholding it.

One point I would like to raise though is about our request for £2,500 in compensation. This was only because the car was damaged whilst with their own workshop and I am not willing to let them have the car again as I have no faith in them. I was also without the car for 5 weeks when they had it previously and do not want to be without the car again for such a long period of time.

I have also requested details of the work carried out on the car, but they have failed to provide this or even acknowledge my request. There appeared to be a lot of work carried out for what was minimal damage.

That said, I am happy to accept the compensation suggested and put an end to this whole debacle".

One Insurance said:

"I can confirm receipt of your provisional decision, however with this case I would request clarification of such a severe change in outcome especially considering the previous adjudication noted the delays have mostly been due to the third-party insurer not responding to our allegations and chasers.

We have regularly chased the insurer for acceptance and only received this in March 2024

which is when the customer chose to arrange the repairs, after completing the repairs/rectification in June 2024 we allocated all costs incurred from the claim and I can see we submitted the payment pack to the third party on the 3rd of July 2024.

While we accept it is noted that there have been partial failings in providing information to the third party it is clear this has not fully affected the claim delay as the majority of the delay lies with the third party being unresponsive to our allegations, which is something that we have had no control over.

Additionally, it should not be for the business to refund the policy excess regardless of any service areas as the excess is the first part of any comprehensive claim an individual is required to pay under their contract. The excess would be recovered direct from the third-party insurer. I can see in this case we have already submitted our payment pack to the third party, and this includes the policy excess which is requested to be raised direct to the insured. As such expecting the business to refund this separately would in fact cause further inconvenience as the excess would surely need to be re-paid when the insurer pays this separately”.

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.

I clarified the reason for the compensation in my provisional decision, I said: *“the cumulative impact of the delays, poor communication and damage to the car will have added to the distress, over a long period”* and *“for the long-standing nature of this claim”*.

I think if One Insurance had been more pro-active with this claim, the third party would've accepted liability or One Insurance had the evidence it needed to take this to court to reclaim the costs successfully. So, no excess would need to be paid. So, under no circumstances should One Insurance try and recover this money from Mr and Mrs H once they've refunded it.

As Mr and Mrs H have indicated they are willing to accept my provisional decision and One Insurance hasn't provided any new information to persuade me, I see no reason to change my provisional decision.

My final decision

My final decision is that I uphold this complaint. I intend that One Insurance Limited need to:

- Refund Mr and Mrs H the standard excess amount they paid*
- Pay £400* compensation (in addition to the £450* already offered if it hasn't already been paid).

* One Insurance Limited must pay the compensation and refund the excess within 28 days of the date on which we tell it that Mr and Mrs H 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 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 10 September 2024.

Pete Averill

Ombudsman