

The complaint

Mr B complains Astrenska Insurance Limited handled his scratch, dent and alloy protection insurance claim poorly.

Astrenska been represented by an agent for the claim and complaint. For simplicity I've referred to the agent's actions as being Astrenska's own.

What happened

In October 2023 Mr B claimed, for a scratch to his car, against his Astrenska scratch, dent and alloy protection insurance policy. Across several months Astrenska gave various reasons why the damage wasn't covered by the policy. Mr B raised complaints about the failure to cover the repair and general poor customer service.

Astrenska issued a couple of complaint responses. In November 2023 it accepted there had been a lack of progress on the claim – offering £75 compensation to apologise for delay and inconvenience. A further complaint response was issued in February 2024. Mr B had disagreed with Astrenska's opinion that the damage was of a severity beyond that covered by the policy. In its response it said the type of repair required isn't covered by his policy. It continued to decline the claim - but apologised for not keeping him updated during the claim.

Mr B wasn't satisfied with that second complaint response, so referred his complaint to the Financial Ombudsman Service. He said Astrenska hadn't provided a valid reason for declining the claim. He considered its customer service to have been poor – wasting his time and causing him stress. To resolve his complaint he asked that Astrenska settle the claim and compensate him for inconvenience and distress. After the referral it settled, without direction from this Service, the claim by paying Mr B an amount equivalent to the policy limit of £500.

Our Investigator felt the claim had unfairly been declined. She said it was reasonable for it to be paid up to the claim limit. So she considered Astrenka's recent settlement to be a fair resolution. She felt there had been some additional inconvenience to Mr B since the November 2023 complaint response, but not enough to warrant additional compensation.

She considered Astrenska had already offered a fair amount to reflect the unnecessary distress it had caused Mr B. So she didn't recommend it pay anything more or do anything differently. As Mr B didn't accept that outcome the complaint was passed to me to decide.

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 this is an informal service I'm not going to respond here to every point or piece of evidence Mr B and Astrenska have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Astrenksa's accepted the claim and settled at the maximum payable under the terms. So I don't need to consider if the damage claimed for is covered by the policy.

Having considered the information provided I'm satisfied Astrenksa should have settled the claim earlier than it did. But I haven't seen anything to persuade me Mr B lost out financially as a result of it failing to do so. For example, as far as I'm aware, he didn't incur additional transport costs because his car was out of use due to it being unrepaired. So I'm not going to require Astrenksa to reimburse Mr B for financial loss.

But Mr B did experience unnecessary distress and inconvenience because of Astrenksa's handling of the claim. It required an unreasonable amount of time and effort from him to get it to settle. I can understand why the matter has been frustrating for him.

However, I'm not going to require Astrenksa to pay him any further compensation. I accept he experienced further inconvenience and frustration following the £75 compensation award, in October 2023. But I consider that amount is fair compensation to recognise the distress and inconvenience experienced during the whole life of the claim.

My final decision

For the reasons given above, I don't require Astrenksa Insurance Limited to pay Mr B any additional compensation or to do anything differently.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 21 October 2024.

Daniel Martin
Ombudsman