

The complaint

Mrs F complains One Insurance Limited (One Insurance) unfairly deemed her car a total loss after she made a claim on her motor insurance policy, and it did not provide clear communication during the handling of her claim.

One Insurance are the underwriters of this policy i.e. the insurer. Part of this complaint concerns the actions of the intermediary. As One Insurance have accepted it is accountable for the actions of the intermediary, in my decision, any reference to One Insurance includes the actions of the intermediary.

There are several parties and representatives of One Insurance involved throughout the complaint but for the purposes of this complaint I'm only going to refer to One Insurance.

What happened

In March 2024 Mrs F was involved in an accident and made a claim on her motor insurance policy. One Insurance sent out an approved partner to review the damage to her car. She was told One Insurance would be in touch about the repairs.

One Insurance's approved partner contacted her to organise collection of the car and this was arranged for a few days later. Mrs F asked about a courtesy car and the approved partner told her to contact One Insurance directly about this. She contacted it and was told she was not due a courtesy car because it had found her car to be uneconomical to repair and it had been deemed a total loss.

Mrs F thought her car was being taken for repairs to be completed and didn't agree it should be deemed a total loss. She cancelled the collection of the car and obtained her own quotes for the repairs which were much cheaper than the costs obtained by One Insurance. She thought One Insurance were trying to scam her or discriminate because she is a woman.

One Insurance agreed to settle her claim based on the repair quotes she had provided and offered to pay the repair costs she had obtained less the policy excess.

Because Mrs F was not happy with the way One Insurance handled her claim, she brought the complaint to our service.

Our investigator upheld the complaint. They looked into the case and said One Insurance had acted fairly and in line with the terms of the insurance policy in regard to her claim, but it could have done more to keep her informed about exactly what was happening with her claim. They said One Insurance should pay Mrs F £100 compensation for the poor service received.

As One Insurance is unhappy with our investigator's view the complaint has been brought to me for a final decision to be made.

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 saw the details of the accident were that Mrs F's car scraped the back of a third-party vehicle at slow speed also causing damage to her car. The visible damage to her car was scrapes to the body work down one side. The car was still driveable.

I looked at the terms and conditions of Mrs F's policy and it says;

"Section 1 Accidental Damage

What Is Covered?

If your car is damaged by accident or vandalism, we may:

- pay the cost of repairs to your car;*
- replace what has been lost or damaged; and*
- make a settlement payment based on the cost of replacing your car when it was lost or damaged. We will think about the make of the vehicle, the model, how old it is and how many miles it has done. This will not be more than what you said the vehicle was worth."*

I looked at the report completed by One Insurance's approved partner. This recorded the damage as light impact and non-structural damage to the left-hand side. The images included show damage to both the doors and the rear panel.

One Insurance said based on the images its approved partner believed replacement of both doors was necessary to repair her car to the best standard. And One Insurance concluded that due to the estimated cost of these repairs, the car was to be deemed a total loss as it was uneconomical to repair. I saw the repair estimate was almost the same amount as the pre accident value of Mrs F's car, based on this information I think this was a fair decision.

The process to inspect the car and obtain a quote for repairs is not unusual practice in motor insurance claims. And there would be no reason for One Insurance to overestimate the cost of repairs as this would only increase the costs to itself. I have not seen any evidence of a scam, nor of any discrimination towards Mrs F.

The terms of the policy say;

"Courtesy Car

We will not guarantee or provide a replacement car if

- It is decided that your car cannot be repaired at a reasonable price".*

Based on One Insurance's decision to deem the car a total loss this means Mrs F was not due to be provided with a courtesy car.

I didn't see any evidence of One Insurance contacting Mrs F to explain its decision to class her car as a total loss prior to its approved partner arranging to collect the car, although the decision had already been made. She only found out the car was a total loss when she contacted One Insurance to arrange a courtesy car. As she thought she had just organised for her car to be collected for repairs, and because the damage to her car appeared to be light, I can understand why she was surprised to discover her car had been deemed a total loss at this point.

Mrs F said no proper inspection was completed on her car and she disagreed with the amount of damage recorded on the inspection report, and the repair estimate. I saw One Insurance then gave her the option to obtain her own quotes, which she did.

The quotes for repairs obtained by Mrs F from garages she contacted herself were significantly lower than the quote for repairs obtained by One Insurance. This was because

One Insurance's authorised partner had quoted for replacement doors to her car and the quotes obtained by Mrs F were only to repair and repaint the damaged panels.

I saw One Insurance agreed to cover the repair costs obtained by Mrs F, minus her policy excess, if she wished to proceed with her own repairer. Offering her such an alternative is what I would expect to see, and I think this was a fair and reasonable offer.

I do however think One Insurance could have informed Mrs F sooner of its decision regarding the total loss, this would have avoided the stress caused to her, and the loss of expectation when she thought her car was being repaired and she would be provided with a courtesy car. I saw One Insurance apologised for any inconvenience and distress caused to Mrs F, but no compensation was offered.

I uphold Mrs F's complaint and in addition to its apology, I require One Insurance to pay her £100 for the distress and inconvenience caused due to its poor communication after her car had been inspected and deemed a total loss.

My final decision

For the reasons I have given I uphold this complaint.

I require One Insurance Limited to pay Mrs F £100 for the distress and inconvenience caused due to its poor communication.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 3 December 2024.

Sally-Ann Harding
Ombudsman