

The complaint

Mr K complains that following an accident DAVIES MGA SERVICES LIMITED didn't tell him that they couldn't process his insurance excess protection policy claim. By the time they did tell him it was too late to send the claim to the correct business and the claim was declined.

What happened

Mr K was involved in an accident in August 2023 and sustained serious injuries. He was in hospital for over two weeks, but once he was discharged he contacted the relevant parties to report the accident and deal with his claims.

Mr K's claims for his motorcycle, helmet and leathers and the injury payment for his hospital stay were all dealt with. He also had a policy which covered £500 of the excess on his motor insurance policy.

Mr K contacted Davies regarding his claim under his motor excess insurance policy and received confirmation on 1 September 2023 that the claim had been successfully logged. He was asked to provide a copy of the settlement letter he'd received from his motor insurer's, proof of deduction or payment of his policy excess and a copy of his insurance schedule confirming his excess. On receipt of these documents the email said Davies would look to process the review of his claim.

Mr K sent the required documents to Davies and sent a number of emails requesting an update on how his claim was progressing. He eventually called them as he'd received no response to his emails. He was told they no longer dealt with excess protection policy claims and he needed to contact another business about this claim.

Mr K raised a complaint with Davies on 3 October 2023. They responded to his complaint on 27 November 2023 confirming that they'd received his claim on 1 September 2023. They said between this date and 28 September 2023 they requested a copy of the settlement letter for his motor claim. But on 28 September 2023 they discovered that they no longer handled excess protection claims for his insurer. And they advised him of this on 3 October 2023 when he raised his complaint. Mr K's complaint wasn't upheld and he was told to contact his insurer direct.

Having received the final response letter from Davies Mr K submitted a claim for his excess to the correct business but was advised it was too late to make a claim, as his policy required him to submit a claim within 30 days of the insured incident occurring. And the policy states that any claim notified outside of the 30-day period will be immediately denied.

Mr K then complained to our service as had Davies advised him when he contacted them in early September 2023 that they couldn't deal with his policy excess claim, he could have contacted the correct business within the 30-day claim period.

Our investigator considered the case and upheld the complaint. She said Davies had enough information when Mr K contacted them to advise him that he needed to contact another business but failed to do so in time. Had they notified him as soon as they received

his claim that they couldn't deal with it, he would have had time to submit the claim to the correct business. And there was no reason to believe the claim wouldn't have been accepted.

She said Davies should pay Mr K what he would have received if he'd submitted his claim in time to the correct business. As Mr K hadn't received his excess back she said they should pay him £500 to cover this, plus 8% simple annual interest from the date of the claim to the date of payment and £100 compensation for the stress caused at an already traumatic time.

Mr K was happy with our investigator's opinion, but Davies didn't accept it. They said they received Mr K's claim on 1 September 2023 and they had to obtain a copy of his policy schedule. They received this on 28 September 2023 and notified Mr K on 3 October 2023 that they couldn't deal with his claim. They said they contacted him within the time specified in their service level agreement, so they don't accept they're responsible for his claim.

Since our investigator provided her opinion we've asked Mr K to explain why he contacted Davies about his claim for his policy excess, as his policy document provides a number to call to register any claim.

He's told us that his insurance broker sent him a list of insurers to contact regarding his claim. Davies were the relevant contacts for his claims for his clothing and his injury cover. But he was aware that his insurance excess cover was dealt with by another company who operated online.

He's said that he completed a claim form for his policy excess online, but he was unable to submit it. He called his broker and was referred to the list they'd provided. So, as Davies were dealing with a number of his claims, he contacted them and explained the problems he was having registering his policy excess claim. He then received the email from Davies dated 1 September 2023 saying his claim had been successfully registered.

Mr K has also told us that during a conversation with Davies he was told that they used to deal with claims for the company providing his policy excess cover. He believes that when he was told his claim had been registered, the person who sent the confirmation didn't realise that they no longer dealt with these claims.

The case has now come to me for a decision.

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.

Mr K sustained serious injuries in his accident and I accept he is likely to have struggled to deal with all the claims it was necessary for him to submit. But he managed to deal with all of the claims apart from the claim under his excess protection policy.

Mr K has told us that he tried to submit his claim under his excess protection policy online but was unable to do this. He sought help from his broker who simply referred him to the list of contacts for the various aspect of his claim which they'd previously provided. As Davies were dealing with other parts of his claim he's said that he contacted them for advice and received an email on 1 September 2023 telling him his claim had been successfully logged on their system.

It wasn't until 3 October 2023, over a month later that Davies let Mr K know this wasn't something they could deal with for him.

His excess protection policy has a strict 30-day time limit for submitting a claim, so when the claim was eventually submitted it was declined. This is despite Mr K submitting it promptly once he heard back from Davies.

I'm satisfied that Davies should have been aware of the insurance companies they were able to process claims for. So it shouldn't have been necessary for them to await receipt of a copy of Mr K's policy schedule before telling him they couldn't deal with his claim.

They'd told him on 1 September 2023 that they logged his claim, so I think at that point it was reasonable for Mr K to think his claim was being dealt with by them. And that his claim would be dealt with on receipt of confirmation that his motor insurers had deducted his excess when dealing with the claim for his motorcycle.

I've considered what Mr K's policy documents say in respect of making a claim. This is dealt with by his statement of cover, which provides a number to call to register any claim. This was the broker's number and Mr K has told us he contacted them and was simply referred to the list of contacts they'd previously provided.

I've said that Davies should have known which insurers they acted for. And they should have notified Mr K as soon as he contacted them that they couldn't deal with his claim. Had they done this and told him to contact his insurer direct, rather than providing this information on 3 October 2023, he would have been able to submit his claim in time.

I haven't seen any evidence to suggest that if the claim had been submitted in time it wouldn't have been paid. So I require Davies to pay Mr K £500 to cover his policy excess, plus 8% simple annual interest from the date of the claim to the date of payment.

It's clear that how Davies dealt with this matter caused Mr K distress and inconvenience at what was already a difficult time and he should be compensated for this. Taking everything into account I think £100 is the appropriate level of compensation.

My final decision

For the reasons set out above my final decision is that I uphold Mr K's complaint about DAVIES MGA SERVICES LIMITED.

And to put things right I require them to take the steps set out above.

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

Patricia O'Leary
Ombudsman