

The complaint

Mr M complains that Accelerant Insurance Europe SA mishandled his claim on a taxi insurance policy.

What happened

The subject matter of the insurance, the claim and the complaint is an estate car, made by a premium-brand car maker and first registered in 2017. It had a diesel engine and required (as well as diesel) diesel exhaust fluid.

For the year from 22 September 2023, Mr M had the car insured on a taxi policy under which Accelerant was responsible for dealing with any claim. The policy covered damage caused by accident or vandalism, but not wear and tear.

Mr M reported that on about 3 October 2023, a third party vehicle had hit his car while it was parked.

Mr M reported that in about December 2023, a passenger had deliberately damaged his car.

Mr M reported that on about 9 March 2024, someone had deliberately contaminated the fuel.

Much of the complaint is about acts or omissions of claims-handlers on behalf of Accelerant. Insofar as I hold Accelerant responsible for them, I may refer to them as acts or omissions of Accelerant.

On about 2 April 2024, an engineer inspected the car for Accelerant.

On about 10 April 2024, Mr M took the car to a repairer. It said the car was a total loss.

By 1 May 2024, the car was at a main dealer franchised by the car maker.

By a letter dated 13 May 2024, Accelerant said its engineer had found no evidence of vandalism – only wear and tear. Accelerant didn't offer to repair the car. Accelerant didn't tell Mr M its pre-accident value or offer to pay it. Accelerant returned the car to Mr M unrepaid.

Mr M complained, through us, to Accelerant that it should repair his car. He included a complaint about additional damage while the car had been in the care of Accelerant.

By a final response dated July 2024, Accelerant turned down the complaint.

Mr M asked us to investigate.

Accelerant didn't respond to our requests for information.

our investigator's opinions

Our investigator recommended, in late August 2024, that the complaint should be upheld in part. She thought that Percayso gave a pre-accident valuation of £6,365.00. She recommended that Accelerant should pay Mr M:

1. £6,365.00 for the value of his vehicle minus his policy excess. This would mean Accelerant would have to arrange for his vehicle to be collected. If Mr M wants to keep his vehicle, Accelerant will need to confirm if he can and if there will be any deduction for what it would've received when disposing of the salvage; and
2. 8% interest from the date the vehicle was returned; and
3. £300.00 compensation.

Accelerant provided information. Mr M provided further photographs of damage to his car.

Our investigator changed her view. She recommended, in late September 2024, that the complaint should be upheld in part. She didn't think that Accelerant was responsible for the majority of the damage to Mr M's car. However, she thought that it was responsible for the additional scratches on the front bumper. She also thought that Accelerant had failed to update Mr M during his claims journey.

She recommended that Accelerant should pay Mr M:

1. a cash in lieu payment for the additional scratches to the front bumper; and
2. £200.00 compensation for the distress and inconvenience.

Mr M disagreed with the investigator's opinion.

Accelerant also disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Mr M and to Accelerant on 12 November 2024. I summarise my findings:

I wasn't satisfied that Accelerant got to grips with Mr M's claims or his complaint. I considered that it was responsible for shortcomings in communication.

Those shortcomings caused Mr M some extra distress and inconvenience at an already difficult time for him. That included making extra telephone calls to chase progress and to complain. So, on balance, I was minded to find it fair and reasonable to direct Accelerant to pay Mr M £200.00 for distress and inconvenience.

Subject to any further information either from Mr M or from Accelerant, my provisional decision was to uphold this complaint in part. I intended to direct Accelerant Insurance Europe SA to pay Mr M £200.00 compensation for distress and inconvenience.

Neither Mr M nor Accelerant has responded to the provisional decision. So I see no reason to change my view.

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.

The policy schedule said that any claim for damage (except a glass claim) was subject to an excess of £650.00. That is for each incident.

The context is a car that had a recorded mileage of over 200,000 and Mr M had used as a taxi.

Mr M hasn't provided enough detail of what happened after the incident in October 2023. So I accept Accelerant's statement that it closed the file due to lack of contact from Mr M. Also, there's not enough evidence that Mr M made a separate claim about an incident in December 2023 at that time. So I don't hold Accelerant responsible for the delay until March 2024.

I find that by March 2024, the car's diesel exhaust fluid system had failed. At that time, Mr M decided to get in touch with Accelerant. He revived his claim for the October 2023 damage. He told Accelerant's engineers about December 2023 damage. Also he claimed for what he regarded as fuel contamination.

I accept that in April 2024, the repairer told Mr M that his car had fuel contamination. However, from the later evidence from the main dealer, I find that it was the car's diesel exhaust fluid system that had failed. From the engineers' evidence, I also find that the car had a battery problem.

I've seen that Accelerant (through different claims-handlers) sent a final response dated 26 April 2024. In relation to bodywork repairs, it said that it had offered a cash in lieu settlement less the excess. It said it was waiting for Mr M's bank details so it could arrange settlement. From what Mr M and Accelerant have each told us, it paid him in about May 2024.

Mr M hasn't provided enough detail of the damage in October 2023 or December 2023 or the costs of its repair. Accelerant's settlement was in line with an engineer's report. So I accept that it was fair and reasonable.

The policy didn't cover wear and tear or mechanical or electrical failure. I consider that the policy didn't cover the failed diesel exhaust fluid system or battery problem. And I consider that it was those problems, rather than the various bodywork damage, that caused Mr M difficulty in using the car as a taxi.

From its MOT history, I've seen that the car failed a test on 21 May 2024 with a recorded mileage of 228,150. The reasons for failure included an engine oil leak and an engine malfunction indicator lamp ("MIL").

I find it likely that Mr M got some work done. That is because the car passed a test on 23 May 2024 with a recorded mileage of 228,228. As the car had recorded a further 78 miles, I infer that the car had been driveable at least on 23 May 2024. Again, Mr M hasn't provided enough detail of what happened.

Mr M sent us photographs of minor damage to various parts of the car. Much of it was included in the reports in April and May 2024. That was the subject of the cash in lieu payment. And I've found that Accelerant's settlement of that claim was in line with an engineer's report, and it was fair and reasonable.

Mr M's photographs show that someone or something caused further scrapes to both the front offside and the front nearside of the car. Our investigator thought it likely that this happened before or at the time that Accelerant delivered the car to Mr M in mid-May 2024.

However I've found that the car was still driveable and passed an MOT test. Mr M hasn't provided enough detail and he didn't send us the photographs until mid-September 2024. So – unlike the investigator – I don't find that Accelerant was responsible for the further scrapes.

Also, I've seen that DVLA issued a new V5 registration document on 17 October 2024. Mr M hasn't told us of any change of his address. So I find it more likely that he has sold the car.

I don't find it fair to direct Accelerant to repair the car or to pay further cash in lieu because:

- Accelerant's settlement of the claim for damage as at April 2024 was in line with an engineer's report and it was fair and reasonable.
- The main issues with the car were the diesel exhaust system and the battery. I consider that the policy didn't cover them.
- The car had been driveable at least on 23 May 2024. Mr M didn't send us the photographs until mid-September 2024. So I don't find that Accelerant was responsible for the further scrapes.

Putting things right

Nevertheless, I'm not satisfied that Accelerant got to grips with Mr M's claims or his complaint. I consider that it was responsible for shortcomings in communication.

Those shortcomings caused Mr M some extra distress and inconvenience at an already difficult time for him. That included making extra telephone calls to chase progress and to complain. So, on balance, I find it fair and reasonable to direct Accelerant to pay Mr M £200.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I direct Accelerant Insurance Europe SA to pay Mr M £200.00 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 December 2024.

Christopher Gilbert
Ombudsman