

## **The complaint**

Miss M complains about how Society of Lloyd's handled a claim she made on her GAP insurance policy.

Reference to Society of Lloyd's includes its agents.

## **What happened**

Miss M's car was stolen and she made a claim for the loss to her motor insurer. She also made a claim to Society of Lloyd's under her GAP policy with it.

Miss M complains about how Society of Lloyd's handled that claim. She said there were delays and that she was made to feel like she was accused of stealing her own car. She's said the whole experience left her feeling very anxious, to the point that she ended up leaving her job.

Society of Lloyd's acknowledged it had handled Miss M's claim poorly. It said its investigations were necessary and that it was entitled to undertake them, but acknowledged they weren't carried out in the way that they should have been. Ultimately it offered Miss M £300.

Miss M wasn't happy with this and brought her complaint to us. At the point the complaint was brought to us, Society of Lloyd's was declining the claim. During the course of our investigations, new information came to light. Based on this, Society of Lloyd's has since agreed to pay Miss M's claim.

Our Investigator didn't think what Society of Lloyd's had done was enough. They recommended it increase its compensation to £750 in total. They thought this was a fairer amount considering the distress Society of Lloyd's actions had on Miss M.

Miss M accepted our Investigators findings. Society of Lloyd's didn't. It says the complaint should be judged up to the point it sent its final response letter. At that point, it didn't know Miss M had left her job. It also argues it's not fair to say its actions led to Miss M's decision to leave.

To be clear, in the scope of this complaint, to bring things to a closure for all parties, I think it best to consider things up to the present date.

## **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.

Having done so, I'm upholding it. I'll explain why. I've considered everything we've been sent, but in line with our role as an informal service, I'll only comment on the issues I consider key to the dispute.

- It's not in dispute that Society of Lloyd's handling of this claim was poor. It's

acknowledged as such.

- I agree with its stance that the investigations it undertook into the validity of the claim where investigations it was entitled to make. I think Society of Lloyd's, had valid concerns around the legitimacy of the claim based on the information provided to it.
- But the way it carried out these investigations left Miss M feeling accused of being involved in the theft of her own vehicle. That's not something that should have happened, and Society of Lloyd's has acknowledged as such. Looking at the tone of some of the emails, it was heavy handed and accusatory, often dismissing what Miss M had to say.
- That will have added considerable unnecessary stress to what was an already stressful time for Miss M. I agree there's no way to tell quite how much of an effect that had on Miss M, or how much it factored into her decision to leave work.
- Overall, I'm satisfied the £750 total compensation recommended by our Investigator is reasonable. Irrespective of the level of concerns Society of Lloyd's had, the way it conducted its investigation has had a significant impact on Miss M. Being accused of fraud is a serious accusation, with serious consequences, and in this case, I can see why Miss M felt she was being accused and that her responses were not being given fair consideration.
- At the point the complaint was brought to us Society of Lloyd's, the claim had been declined. I understand that decision has since been reversed. That decision was based on new information coming to light, so I agree with Society of Lloyd's, when it says this shouldn't be considered a delay.
- As our Investigator pointed out, any issues relating to Miss M's credit file need to be addressed with the finance company, not Society of Lloyd's as the underwriter of the policy.
- Society of Lloyd's has also confirmed there's no fraud or cancellation markers for this policy or Miss M.

### **My final decision**

For the reasons set out above, I uphold this complaint. To put things right, Society of Lloyd's should:

- Pay Miss M a total of £750 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 7 March 2025.

Joe Thornley  
**Ombudsman**