

The complaint

Mrs D complains about the way Accredited Insurance (Europe) Ltd has handled a claim made against her motor insurance policy.

What happened

Mrs D's car was stolen in February 2022, she made a theft claim to Accredited. The car was recovered around a month later, but Mrs D complained about Accredited's handling of the claim and the fact that no courtesy car had been provided to her for around six weeks.

An Investigator at the Financial Ombudsman Service considered that complaint. He recommended Accredited pay compensation for the distress caused by its handling of the claim. Both parties accepted the outcome, and the complaint was closed in early 2023.

In May 2024, Mrs D contacted this Service again. She said following the previous complaint, it transpired a claim had been made against her policy for February 2022. She said whilst the third party (TP) had accepted in March 2022 that her car hadn't been involved, this claim (which I'll refer to as the "February 2022" claim) was still showing on the national claims database. She said Accredited hadn't done enough to have this removed, and as a result, her insurance premiums had been impacted.

Accredited accepted the claim hadn't been reported correctly and said it would have it removed. It said whilst it was trying to resolve this, the issue was with the national claims database (used by all insurers) rather than something it could control. Mrs D asked for the Financial Ombudsman Service to review the complaint.

Whilst our Investigator was reviewing matters, Accredited confirmed in October 2024 that all of the external databases had removed the claim in question. Our Investigator thought that, but for Accredited's delay in seeking the claim's removal, this issue would likely have been sorted before Mrs D's Accredited policy ended in January 2023.

He said putting matters right was difficult, as Mrs D had initiated insurance policies with four different providers since the Accredited policy ended in January 2023. These were:

- January 2023 – January 2024, with insurance provider V.
- January 2024 – April 2024, with insurance provider C.
- April 2024 – May 2024, with insurance provider F.
- June 2024 – June 2025 with insurance provider M.

He said Accredited should, for the policies Mrs D took out with V and M, work out what it would have charged her for cover, with the February 2022 claim removed (but including the theft claim which she also made in February 2022). He said if Mrs D had paid more than what Accredited would have charged her, it should refund her the difference, plus 8% interest. He also recommended Accredited pay £300 compensation.

For the insurance policy with C and F, our Investigator said it hadn't been shown Mrs D paid an increased premium as a result of the February 2022 claim. He didn't recommend Accredited take any action.

Mrs D agreed with the outcome, Accredited didn't. It didn't agree to re-rate the policy. It asked for an Ombudsman to consider matters. Its points were in summary:

- For the policy taken out with V, it was surprised V couldn't rerun the calculations itself to give Mrs D an accurate view of what it would have charged, had the February 2022 claim been removed.
- For the policy with M, as M was still her current insurer, it should be the one to recalculate her policy, now that the claim has been removed.
- It didn't agree to a compensation award of £300.

In March 2025 I issued a provisional decision on this complaint. I said that, as Accredited didn't agree to re-rate the policies, I intended to come up with a figure that I felt was fair and reasonable to reflect the likely impact of Accredited's mistake. A copy of my provisional findings is below.

Our Investigator's finding was that, but for delays by Accredited, the February 2022 claim would have been removed from the database before her policy with it ended in January 2023. Accredited didn't, in response to the view, provide any persuasive arguments as to why it considered that to be incorrect. And having reviewed matters, I agree with the Investigator's finding on that, so I won't review it in detail. Instead, I'll focus on how to put matters right.

Where a business has made a mistake, our role is to put the consumer – so in this case Mrs D – back in the position she would most likely have been in (or as close as possible) but for that mistake.

The mistake here was Accredited not promptly seeking removal of the February 2022 claim. Mrs D says having this on her record has increased her premiums. She considers across her policies held with V and M, she's paid an extra £1,200 as a result of that claim not being removed when it should have been. In order to bring this complaint to finality, I'm going to suggest a figure that Accredited should pay as compensation, rather than direct it to carry out calculations, like our Investigator did.

Mrs D's policy with V from January 2023 – January 2024

V told this Service it couldn't re-rate Mrs D's premium, to remove the claim and see what it would have charged for the policy year January 2023 – January 2024. Accredited has said it won't re-rate the policy to determine what it would've charge for that policy term, but for the February 2022 claim. As such, I can't be certain of the impact that claim had on the premium. So I've looked at the changes in policy amounts charged over the years, in order to come up with a figure that I feel fairly and reasonably compensates Mrs D, and bearing in mind the informal nature of this service.

For the original Accredited policy which ran from January 2022 until January 2023, Mrs D was charged £850. For the policy charged by V, which ran from January 2023 – January 2024, it has provided evidence that Mrs D paid around £1,500. So that is an increase of around £650.

However, included in that V policy, was also the theft claim from 2022, which was rightly recorded on the policy. So even if Accredited had removed the February 2022 claim by the end of its policy term, I consider its most likely Mrs D would have still paid more for her policy with V than she had done the year previous, owing to the theft claim.

But the policy with V was priced based on two claims, rather than one as it should have been. I've no real way to know for sure how V might have viewed those two claims in terms of how they affected the price it charged, and Accredited hasn't engaged with the re-pricing matter itself. So I'm going to split the difference, giving a value of £325 for the February 2022 claim. I think this reasonably reflects there was likely a difference but the quantum of which isn't known. Taking £325 from Mrs D's actual premium means Mrs D most likely would have paid £1,175. So I intend to decide Accredited should refund Mrs D £325 extra she likely paid for that policy year.

And as this is money Mrs D has unfairly been without, I intend to decide Accredited should also add 8% interest onto that amount. For ease I intend to require it to calculate that 8% interest from August 2023 (which is halfway through the policy) until the date of settlement.

Policies with C and F from January 2024 – May 2024

Like our Investigator, I don't intend to ask Accredited to do anything in relation to the policies then taken out with C and F, which ran from January – May 2024. This is because, from the limited information I've seen from those insurers, I'm not persuaded Mrs D was charged a higher premium for cover due to the February 2022 claim. So, it hasn't been shown Mrs D suffered a financial loss owing to that claim being recorded on the national database.

Mrs D's policy with M, from June 2024 until June 2025

Mrs D has provided her policy information for her policy with M, showing she was charged around £2,500 for the policy running from June 2024 until June 2025. When compared to her Accredited policy (January 2022 – January 2023) this is a £1,650 difference.

I accept that the policy with M is still running, and sometimes this Service will decide that its fair for a consumer to ask their existing insurer to re-rate their policy, once information has changed.

However, I'm not persuaded, in the circumstances of this complaint, that this is the fair and reasonable outcome. Mrs D says she's already been put to trouble sourcing insurance with this added claim unfairly being recorded against her for longer than it should have been. And the issue has been caused by Accredited, not M. And if M refused to re-rate the policy, as it had been priced accurately when set up, that would leave Mrs D in an unfair position. There is a further difficulty though, in determining the cost of Accredited's failure, which I have spotted in relation to this policy. The policy documents provided by Mrs D show a different car was insured, to the one that had been insured with Accredited. It's possible this is partly the reason that the insurance premium having increased. And Mrs D also had a further claim on her policy in August 2023 relating to another theft, I think this would certainly have an impact on any new policy and most likely resulted in an increased premium.

But even with that taken into account, M's policy was priced on the basis of three claims, rather than the two that it should have been. If I generally view that each claim may have caused a roughly £400 uplift, then it follows I think Mrs D should have paid £2,100 for the policy with M, rather than the £2,500. So I'm going to say that Accredited's error most likely caused Mrs D's premium to be £400 higher than it otherwise would have been, so I intend to require it to reimburse that sum. I recognise this policy is still running and Mrs D is paying monthly for it. However, I consider, given how far into the policy she is, she'll have already

paid more than £400 towards the policy. So she is already out of pocket for the sum I've found it's fair to say Accredited caused her to incur. I think it's most likely she'd have paid her new insurer £400 by the point of her second monthly instalment. So I intend to decide that interest should be applied from that date, which I consider to be August 2024.

Mrs D has said she ran the quote through a price comparison website, both with and without the claim added, and the difference was closer to £600. But she hasn't been able to provide any evidence of that. So I think, in the absence of any clear evidence from either party, that my working out is a fair and reasonable way to resolve the complaint.

Summary

For the reasons above, I intend to say that, in total, Accredited should reimburse Mrs D £725 for the likely increased policy premiums she paid as a result of unfairly having the February 2022 claim on the policy.

I also consider Accredited has caused Mrs D unnecessary trouble and upset. Our compensation guidelines say we'll award up to £300 where a mistake requires reasonable effort for a consumer to sort out. Even with chasing from Mrs D, it took several months for Accredited to take responsibility to resolve this issue. I've no doubt this was frustrating for Mrs D and that paying more for insurance will cause inconvenience. So I intend to decide £300 is fair and reasonable in order to resolve the complaint.

Mrs D said she'd accept my provisional findings, Accredited didn't. It provided a lengthy response; I've summarised its key points as:

- It issued a letter explaining that the claim was awaiting removal on 24 October 2023. So insurer V should've been able to use it to remove the claim loading from the premium.
- It issued a second letter on 13 September 2024, this could've been shown to insurer M. If Mrs D was willing to give it authority, then it will speak to insurer M to see if it will re-rate her policy.
- Claims are not the only factors that result in an increase in a policy premium. Costs in the insurance industry have increased in recent years, causing premiums to be higher.
- The type of vehicle Mrs D had was also subject to substantial premium rate increases because they were commonly being stolen.
- It's extremely unlikely insurer M would've treated the second theft claim the same as the first one, in terms of loadings applied to the premium.
- If the vehicle on cover for the 2024 policy with M was the same as on cover with V, then this would explain an increase in the premium (given concerns over thefts of those vehicles).
- It doesn't agree the increase in premium of the policy in January 2023 (with insurer V) can be attributed to the incorrect information on the database for all of the reasons highlighted above. Asking V to re-rate the premium would be the best way to ascertain this.
- For similar reasons, engaging with insurer M would be the better way to resolve matters.

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 considered Accredited's points, I'm not persuaded to change my opinion on the fair and reasonable way to resolve this complaint. Accredited has provided, alongside its comments, some graphs showing increases in costs in the insurance market over recent years. I accept that to be the case. And I accept it isn't my role to re-rate a policy. However Accredited could've done this, it has the ability to do so. And our Investigator even recommended that it did so, but it has refused to engage with that. As I explained provisionally, given Accreditor's refusal, it was left to me to decide a fair and reasonable way of resolving this. I'm satisfied that is what I've done.

I've already set out in my provisional findings that V has told this Service that it can't re-rate the policy. I've also already set out why I don't consider asking Mrs D to contact insurer M is the fairest way to resolve matters. Accredited contacting M on Mrs D's behalf also doesn't provide a quick resolution for her. And if M refuses to engage with Accredited, this would leave Mrs D in a difficult position.

I've reviewed again the letters Accredited sent Mrs D, it says the letters should've allowed insurers V and M to remove one claim from their ratings. The September 2024 letter that Accredited refers to doesn't mention there being two claims recorded rather than one. It mentions a claim had been recorded as a fault claim, rather than a non-fault one. I'm not clear what exactly that is in relation to, but this letter doesn't say that Accredited has mistakenly added a further claim onto the national database that it is in the process of removing. I can't see from our file that Accredited has provided a copy of the October 2023 letter. But in any event, I note the policy started with V in January 2023. So Accredited's letter sent around ten months later doesn't persuade me that it shouldn't compensate Mrs D for the likely increased premiums she paid.

I accept that it's possible that there are other factors that would've led to an increase in the premium. Although some of the factors pointed to by Accredited don't apply here; for example, the policy with M wasn't for the same vehicle type that was insured with V. So I don't consider it would've been impacted with the same theft concerns as the previous vehicle.

In any event, as I said above, it's not my role to re-rate a policy. If Accredited had wanted a more mathematically and technically correct assessment it had a chance to provide that. My role is to resolve the complaint, by putting a consumer back in the position they would've been in (or as closely as possible), but for a mistake a business made. Whilst Accredited has pointed to other factors that might have influenced the premium, it hasn't engaged with any of its own calculations of what it considers would be a more appropriate figure for redress. And I don't think it can be argued that it would be most likely that an additional claim would have *no* impact on a premium rating.

As such, in the absence of any calculations from Accredited showing a more accurate likely figure for the impact of the erroneous claim being recorded, I see no reason to depart from my findings set out in my provisional decision. As such those provisional findings, as well as what I've set out here, now form this, my final decision.

My final decision

- Pay Mrs D a total of £725 to reflect the increased premiums Mrs D has paid.
- On the sum of £325, which in part makes up the £725 referenced above, add interest* applied from August 2023 until settlement is made.
- On the sum of £400, which in part makes up the £725 referenced above, add interest* applied from August 2024 until settlement is made.

- Pay Mrs D £300 compensation for distress and inconvenience.

Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require Accredited to take off tax from this interest. If asked, it must give Mrs D a certificate showing how much tax it's taken off.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 30 April 2025.

Michelle Henderson
Ombudsman