

The complaint

Mr H and Mr N have complained about the manner in which Wakam has dealt with Mr H's claim on his short term commercial vehicle insurance policy. The claim was in respect of an accident following which Mr N's van was deemed a total loss.

The policy is branded in the name of an insurance intermediary which administers it. The intermediary has appointed claims handlers and lawyers to assist with the claim. But the policy is underwritten by Wakam. It is responsible for all matters and complaints concerning claims decisions. So, for simplicity, in this decision I will only refer to Wakam even where other parties have taken actions on its behalf.

What happened

Mr H borrowed Mr N's van while doing some renovations on his home. Mr H insured the van on a short term commercial policy. He had an accident while driving the van. He acknowledged that the accident was his fault. The third parties involved in the accident also claimed against Mr H's policy.

Wakam deemed the van to be a total loss. But it didn't promptly settle Mr H's claim.

Mr H and Mr N complained that Wakam had made false promises and had not rung them back when expected. Wakam responded to the complaints on 21 November 2024. It acknowledged that some of its customer service hadn't been as good as it should have been and apologised for that.

Mr H and Mr N brought their complaint to the Financial Ombudsman Service. One of our Investigators looked into it. She didn't think Wakam had done enough to put things right and said it should pay Mr H £300 to reflect the distress and inconvenience he suffered. She added that it should provide a clear update on the status of the claim and set out the next steps it intended to take to move it forward.

Mr H proposed that Wakam should increase the amount of compensation our Investigator recommended. Wakam didn't respond to our Investigator's complaint assessment. So the matter's been passed to me to determine.

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.

It's not unusual for insurers like Wakam to want to fully investigate the circumstances of a claim before deciding if or how it's going to settle it. Indeed the day after Mr H submitted his claim Wakam sent him an email explaining the next stages of the claim. That said:

“Just so you know, it can take many months to settle a claim depending on the complexity of the investigations required...”

But Wakam went on to say that it would aim to follow up and carry out investigations in order to settle the claim as quickly as possible. However, at the point that it responded to the complaint, in November 2024, it seems Wakam hadn't taken reasonable steps to settle the claim as quickly as possible. It also acknowledged in its response to the complaint that it

hadn't returned calls as promised. And that it arranged an interview appointment which it didn't then attend.

Additionally I can see that Wakam has delayed to respond promptly to emails or to clearly set out what the next steps were. So, while Wakam did tell Mr H at the outset that the matter could take many months, I don't think, at the point it responded to the complaint, it had progressed matters as quickly as possible. Nor had it kept Mr H updated about what was happening with the claim during that time.

I can understand that Mr H has found the avoidable delays, broken promises and poor communication frustrating and at times exasperating. So in order to address Mr H's distress and inconvenience, up to the point that it responded to his concerns in November 2024, I think Wakam should pay him £300 compensation. I'm aware that Mr H doesn't think this amount goes far enough. But, as Wakam indicated from the outset, motor insurance claims, even when handled without error or delay, can take many months to settle. And while I understand Mr H's frustration, particularly with Wakam's poor communications, I don't think that means I should increase the compensation as the issues he's concerned about generally happened over a relatively short period. And I've seen no persuasive evidence suggesting they caused such a level of distress or inconvenience within that period which warrants a higher payment.

I'm also aware that Mr H believes I should make a further award for Mr N's distress and inconvenience. However, Mr H is the policy holder. It was him who borrowed Mr N's van. And him who was involved in the accident. So it was also his responsibility to principally deal with the claim and with Wakam. I understand that Wakam has had some dealings with Mr N directly. Also, I can understand that it is he who would be entitled to any settlement for the total loss of the van in due course; so any delay in that would be frustrating. But I don't think he would have experienced the same level of distress and inconvenience that Mr H as the policyholder has. So I don't intend to make a separate compensation award for Mr N.

However, I do think it's fair that Wakam should explain to Mr H and Mr N what the current status of the claim is and clearly set out the next steps it intends to take to move matters forward.

I'll add that Mr H also said Wakam handled Mr N's data unfairly. He hasn't been clear about how it's done that. But as our Investigator has previously said, if Mr N believes that Wakam is in breach of data protection rules then he may complain to the Information Commissioner's Office (ICO), which is the expert in such matters.

As far as I'm aware Wakam has still not settled the claim. And I understand Mr H and Mr N remain dissatisfied with the claim's progress. But I need to be clear that generally we can only consider a complaint where the consumer has already given the relevant business the opportunity to deal with it in the first instance.

Mr H and Mr N made specific complaints to Wakam, which it replied to in November 2024 and which I've considered above. But it's not our role to act as a go between or agent for Mr H or Mr N. That means our involvement does not extend to overseeing how Wakam handles the claim generally. So, if Mr H or Mr N has further complaints about Wakam's service or claim progress since November 2024, then they should make those directly to Wakam in the first instance. If they remain dissatisfied with its response or the settlement of the claim they may ask the Financial Ombudsman Service to consider the matter at that stage.

My final decision

For the reasons set out above I uphold this complaint. Unless it has already done so I require Wakam to:

- Pay Mr H £300 to reflect his distress and inconvenience.

- Provide a clear update on the status of the claim and the intended next steps to move it forward.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mr N to accept or reject my decision before 13 August 2025.

Joe Scott
Ombudsman