

## **The complaint**

Mrs E complains about Acromas Insurance Company Limited (“AIL”) and their refusal to cover the costs incurred by the company she instructed to assist her with managing her claim, who I’ll refer to as “S”.

Mrs E has been represented by Mr E at points during the complaint process. For ease of reference, I will refer to any actions taken, or comments made, by Mrs E or Mr E as “Mrs E” throughout the decision where appropriate.

## **What happened**

The claim and complaint circumstances are well known to both parties. So, I don’t intend to discuss them chronologically in detail. But to summarise, Mrs E held a motor insurance policy, underwritten by AIL, when her car was involved in a road traffic accident. So, she contacted AIL to make a claim. AIL remain responsible for the actions of any agent instructed to manage the claim on their behalf, so I will refer to these agents as “AIL, where appropriate.

Mrs E chose to instruct S, a company known to her, to represent her during the claim process. This included S storing Mrs E’s car at their premises during the lifetime of the claim, at a cost to Mrs E. S also charged Mrs E for their professional fees, and legal advice sought during the claim, amongst other things. And Mrs E was unhappy that AIL ultimately declined to cover the majority of these costs. So, she raised a complaint.

AIL responded to Mrs E’s complaint and upheld it in part. In summary, A £150 compensatory payment was sent to Mrs E to recognise her claim could have been handled in a more timely and effective manner. But they set out why they wouldn’t look to cover the costs Mrs E had incurred with S when instructing them to represent her. But in relation to the storage costs S had amassed, AIL offered to pay Mrs E a full and final payment of £1,500, plus allowing Mrs E to retain ownership of the car at no cost to herself, so she could arrange sale of the car to S independently and retain the funds of this. Mrs E remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and didn’t uphold it. Both parties have had sight of this outcome, so I won’t be recounting it in detail. But to summarise, our investigator felt AIL’s offer to settle the storage charges Mrs E incurred was a fair one, considering S had refused to release Mrs E’s car following her receipt of the total loss settlement. And they set out why they didn’t believe AIL acted unfairly, or outside of the policy terms and conditions, when refusing to cover any further costs incurred by S, including recovery and legal costs.

Mrs E didn’t agree, providing several comments setting out why. These included, and are not limited to, references of her unhappiness with the settlement paid to her based on the value of her car. Mrs E also reaffirmed her belief AIL should cover all the costs amassed by S, referring to advice given by one of AIL’s agents verbally that all costs would be covered, only for this advice to be overturned some weeks later. Mrs E also referred to the loss of her number plate, which she held AIL responsible for. As Mrs E didn’t agree, the complaint has been passed 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.

Having done so, I'm not upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome.

Before I explain why I've reached my decision, I want to set out what I've been able to consider, and how. In line with the rules set by the industry regulator, my decision can only consider the complaint points raised to AIL, that have been responded to within their own complaint process. From the information available to me, I'm satisfied the complaint Mrs E raised, responded to by AIL in February 2024, related to AIL's refusal to cover all the costs amassed by S when representing her during the claim process, which include storage costs, recovery costs and the legal costs they say they incurred representing her and seeking legal counsel. So, this is what my decision will consider. And when doing so, I want to make it clear to Mrs E that while I have considered all the comments put forward, and all the information provided, I won't be commenting on every point in isolation. Instead, my decision will focus on what I'm satisfied is pertinent to the decision I've reached, in line with our services informal approach as an alternative to the courts.

I note in response to our investigators view, Mrs E referred to an unhappiness with the total loss settlement AIL paid, including how this valuation was reached alongside issues surrounding the retention of her personal license plate. I haven't seen evidence that satisfies me these issues were raised with AIL and dealt with within AIL's complaint process. So, I won't be commenting on these issues further. Mrs E would need to raise these issues with AIL directly and AIL afforded the opportunity to respond within the appropriate timescales before our service can consider separately under another complaint reference if required.

And when considering AIL's refusal to cover all the costs Mrs E incurred through her dealings with S, I've made my decision in line with our services approach. So, I've considered whether AIL acted fairly, and in line with the terms and conditions of the policy, when proposing to settle these costs as they have. Having done so, I'm satisfied AIL have on this occasion. And I'll explain why, addressing the costs under separate headings for ease of reference.

### **Storage costs**

I note it was Mrs E's own decision to appoint S to assist her with the management of her claim. And this included having her car recovered to a storage yard owned by S. As part of this, Mrs E agreed a charge of £12 per day for storage, beginning 28 March 2023.

I must be clear that Mrs E could have engaged with AIL's claim process directly, or through a representative who didn't charge for their services. And had she done so, AIL would have recovered Mrs E's car to one of their approved garages, where it would have been stored at no cost to herself, up to the point AIL paid a total loss settlement to Mrs E on 10 August 2023.

But I also note that Mrs E was able to request her car be recovered to a location of her choosing when the claim was initially made. And as AIL would always have incurred storage charges from the date of recovery to the date they made the total loss settlement which concluded the claim, I'm satisfied it's fair for AIL to cover the storage costs Mrs E incurred between this time.

I note this period of time equates to 135 days, at a charge of £12 per day, which equates to £1,620 overall. And AIL's final offer to cover this cost was a payment of £1,500 to Mrs E, plus an agreement she could retain the car at no cost to herself and arrange to sell this privately with S directly. Considering the evidence I've seen, which includes counsel guidance that estimated the salvage value to be around £600, I'm satisfied this offer proposed by AIL was a fair one, that ultimately provided Mrs E with an offer above and beyond what I would have expected.

I note Mrs E doesn't agree and has stated she had no wish to retain the car. But I've seen evidence that shows Mrs E requested an understanding of the retention value early on within the claim process. And that S, who she appointed to manage her claim, refused to release Mrs E's car to AIL, and their agents, following the total loss settlement as they had an intention to purchase the car themselves. So, I'm not persuaded this was an unreasonable offer for AIL to make.

That being said, if Mrs E makes it clear to AIL she does not wish to retain the car, then I would expect AIL to make a payment of £1,620 to cover the storage costs for the time Mrs E was the owner, before the total loss settlement was paid.

However, I must make it clear to Mrs E that as AIL paid a total loss settlement, the car then became their property. So, I would have expected S, acting on Mrs E's behalf, to ensure AIL were able to collect the car and transport it to a location of their choosing. But instead, from the evidence I've seen, I'm satisfied S complicated this process expressing their belief this was unnecessary as they wanted to purchase the car themselves.

This wasn't something AIL were able to control or were responsible for. And any storage costs S charged Mrs E after the total loss settlement was paid were incurred under a separate agreement between S and Mrs E, that isn't covered by the insurance policy AIL provided. So, I can't reasonably say AIL should cover, or pay, for the storage costs Mrs E was charged by S from this point on and these costs would be something she would need to discuss with S directly.

### **Recovery costs**

Having reviewed the file, it appears there has been some confusion created by S' conflicting testimony relating to their involvement in the recovery process. I've seen at times they have stated they recovered Mrs E's car to their facility, and others they have said they were instructed by AIL to assist in the recovery due to the type of recovery vehicle AIL's own recovery agent used. In either event, I note S have charged Mrs E for their part in the recovery process, and Mrs E wants this cost to be paid for by AIL.

But from the evidence available to me, I'm satisfied it was AIL's own recovery agent that completed the recovery of Mrs E's car to S' facility. While S may have needed to engage with this recovery agent to assist in the unloading of Mrs E's car, I'm not persuaded this involvement generated a cost that AIL should reimburse under the policy they provided.

Their policy includes a provision for the recovery of Mrs E's vehicle from the accident site to a garage. Specifically, the policy states AIL would pay for the "*cost of transporting your vehicle to the nearest competent repairer following an accident*". And this is the work I'm satisfied AIL approved, and paid for to their own recovery agent, following Mrs E's instruction for recovery to S' facility, based on the evidence I've seen. So, I'm not directing AIL to cover any further costs charged to Mrs E by S in relation to the recovery of her vehicle.

### **Other costs including professional fees and fees incurred seeking counsel opinion**

I note S have invoiced for significant costs they feel they have incurred representing Mrs E during the claim process. These costs include, and are not limited to, seeking legal counsel and travel costs attending AIL's offices to dispute AIL's decision not to pay their invoice.

But crucially, these costs were incurred due to a separate agreement Mrs E entered into with S, to help represent her during the claim process itself. These costs were not incurred as a result of the accident itself, which was the insurable event here.

Crucially, Mrs E could have engaged with the claim process, and AIL, directly at no cost to herself. So, while it was Mrs E's right to employ someone to represent her if she felt this was the right thing for her to do, this doesn't mean the costs that are then accrued should be paid for by AIL.

I note Mrs E views these costs to be similar to legal costs, and there is a provision for legal expenses under the policy she held. But crucially, this provision is intended to cover any legal costs Mrs E incurred as part of the claim process. For example, litigating to recover claim costs back from a third-party insurer or to defend herself should a third party bring legal action against her.

This section of the policy is not intended to cover the professional fees her own appointed representative has charged her. And even more so, to cover the costs this representative incurred seeking legal counsel to support a potential legal claim against AIL themselves, though I note counsel opinion was that there was limited prospects of success in this sort of claim in any event.

And even if this wasn't the case, and the policy could cover these sort of fees, which it can't, this section also includes an exclusion explaining AIL won't cover "*any costs where we have not given our prior written agreement to the legal costs*".

I haven't seen any evidence that satisfies me AIL provided prior written agreement to S' costs, before S completed the work that led to them. So, this exclusion would always have applied. So, because of the above, I'm unable to say AIL have acted unfairly when refusing to cover the costs S are seeking, that they have charged Mrs E to assist her in the claim process. And it follows that I'm not directing AIL to do anything more.

I understand this isn't the outcome Mrs E was hoping for. And I want to note I don't doubt Mrs E entered into an agreement with S, asking them to represent her, in good faith based on her prior involvement with them. So, I can understand why Mrs E would follow the guidance of S and believe AIL have acted unfairly when not agreeing to cover the costs S have charged her.

But I must reiterate my decision that AIL haven't acted unfairly, or outside of the policy, when taking the stance they have. I do appreciate AIL's final stance differed from some sweeping advice she was given by an AIL advisor on a singular occasion, where it was suggested AIL would cover all S' costs. And I do appreciate the mis-management of Mrs E's expectations this created.

But I'm satisfied AIL efficiently rectified the situation in a timely manner, explaining why this advice was incorrect. And considering a £150 compensatory offer was issued to Mrs E by cheque, which she rejected and returned to AIL, I'm satisfied any confusion Mrs E was caused by this was adequately recognised by AIL.

And crucially, I'm not satisfied this mis-advice should then result in AIL covering the significant fees S are charging, considering these fees resulted from a separate agreement between Mrs E and S, that aren't attributed to the actual insured event as I've already made

clear above. Ultimately, these fees, and any dispute around payment of these, will need to be agreed between Mrs E and S directly.

I would expect AIL to re-issue the £150 cheque and it would be up to Mrs E whether she wished to cash it to receive the payment it presented.

### **My final decision**

For the reasons outlined above, I don't uphold Mrs E's complaint about Acromas Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 13 October 2025.

Josh Haskey  
**Ombudsman**