

## **complaint**

Mrs D has complained that Zenith Insurance plc's service to her was poor when she made a claim under her motor policy after her car was stolen.

## **background**

Mrs D's car was stolen following a break in at her home and she made a claim to Zenith. Mrs D's car was discovered burnt out a couple of days later.

Zenith asked Mrs D to provide a number of documents, including her V5 registration document, in order to deal with her claim. Zenith arranged for Mrs D to be interviewed and she told the interviewer that the V5 document was in the car at the time of the theft. So she didn't have the original V5 document to send to Zenith. The interviewer told her she would need to get a copy from the DVLA before Zenith could settle her claim.

Mrs D hired a car and she believed her policy covered the costs of her doing so. However, Zenith told Mrs D that her policy had the option of having a courtesy car if her car was being repaired, which wasn't the case here. Mrs D was very unhappy about this as she thought this was an expense that she wouldn't have to pay herself.

In June Zenith had all it needed to settle Mrs D's claim apart from her V5 document. However when Mrs D called to ask for an update on her claim, it told her it would be sending a cheque to her and didn't mention that it still needed a microfilm copy of the V5 document. Mrs D called just over a week later as she hadn't received a cheque, and Zenith then told her that it still needed a microfilm copy of the V5 document.

Mrs D complained to Zenith. She said it had taken too long to deal with her claim, that it hadn't asked for the V5 document, and that it should pay for her costs for hiring a car. She was unhappy with the way Zenith spoke to her when she made her claim.

Zenith said that it had made it clear to Mrs D that it needed the V5 document since the beginning of her claim. It agreed that it had incorrectly told her that it would send a payment to her for the value of her car, and it had poorly communicated with her. For the trouble and upset it caused her, it paid Mrs D £75 compensation. It said its policy didn't provide for a courtesy car as her car wasn't repaired.

Mrs D didn't agree so she brought her complaint to us. The adjudicator who investigated it thought it should be upheld in part. He was of the view that Zenith should pay Mrs D the costs of hiring a car for eight days, as this was the time it took from incorrectly telling her it would pay her claim, to telling her it still needed the V5 document. He didn't recommend that Mrs D's remaining complaints be upheld.

Zenith didn't agree that it should pay the hire costs of a car for Mrs D for eight days. It thought a further compensation payment of £100 was reasonable instead.

Mrs D didn't agree with the adjudicator's opinion and didn't agree that Zenith's offer of £100 compensation was enough. So the matter has been referred to me to decide.

## my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. For ease, I've set out Mrs D's complaint under headings below.

*Zenith didn't clearly request the V5 document from Mrs D which caused a delay*

Mrs D said she made it clear to Zenith from the beginning of her claim that she didn't have the V5 document and it should have told her then that she needed to get a microfilm copy from the DVLA. She believes it also should have told her it would take three weeks for the DVLA to provide this. She said she gave the back part of the V5 document to the interviewer on 21 May (her car was stolen on 7 May). Zenith also asked for the MOT certificate which she couldn't provide as it was also in the car at the time of the theft; however it accepted a renewal notice in its place. So because she hadn't heard from Zenith after 21 May, she assumed the part of the V5 document she passed to the interviewer had been accepted by it. Mrs D said that by the time Zenith told her it still needed a copy of the V5 document, she was no longer the owner of the car, so it took longer for the DVLA to deal with her request.

However, Zenith wrote to Mrs D on 11 May and 15 May and on both occasions clearly asked for the V5 document in order to process her claim. So she was aware from the beginning of the claim that Zenith needed this document. The interviewer's report to Zenith said the following;

*"The policyholder has advised us that the V5 was in the car at the time of loss. We have received all other documentation and hold no concerns that she was the registered owner of the vehicle. We have however advised her to get a Microfilm copy of this from the DVLA and send this directly to you. Once this has been received we advised that a settlement is made."*

I appreciate that Mrs D says that the interviewer didn't tell her this at the time because if he had, she would have asked the DVLA for a copy V5 document then. But from the information I've seen, I think it's more likely that the interviewer discussed with her what Zenith would need in the absence of the V5 document, and Zenith was clear from 11 May that it needed it. And I don't think it's fair to hold Zenith responsible for any delay caused by waiting for the DVLA to provide the microfilm copy V5 document.

Mrs D called Zenith for an update a week after she had been interviewed, but Zenith was still waiting for the interviewer's report. It received this on 3 June and noted that it would wait for Mrs D to send it the microfilm copy V5 document, as the report showed this had been discussed.

Up until this point I don't think Zenith was responsible for any delay in dealing with the claim. And Zenith paid Mrs D the settlement value by direct payment to her account the day after it received the copy V5 document from her in July.

However, on 8 June Zenith told Mrs D that it would send a cheque the next day to her for the market value of her car. The call handler didn't notice that Zenith still needed the V5 document, so this information was incorrect and meant that Mrs D expected to receive her cheque without needing to get a microfilm copy of the V5 document. Although Zenith realised its mistake on 10 June, it didn't call Mrs D to tell her that it wouldn't be sending her a cheque and that she still needed to get the V5 document.

I think this was a delay caused by Zenith and made worse by its failure to contact Mrs D when it knew it wouldn't send her a cheque as it said it would. Mrs D only found out when she called on 16 June to ask where her cheque was.

Zenith paid Mrs D compensation of £75 which I think this was reasonable for the upset its call handler caused her at the beginning of her claim. Zenith has offered a further payment of £100, which Mrs D hasn't accepted.

I think a fairer outcome to compensate Mrs D for Zenith's delay is to pay the costs of the hire car for eight days. This is because Zenith's error caused Mrs D to believe that she no longer needed to provide the microfilm copy of the V5 document in order for her claim to be paid. And I think Zenith should have told Mrs D that it still needed it when it realised on 10 June, but it didn't. Mrs D will need to provide Zenith with proof of her hire car agreement and payment before it can do this.

*Zenith's policy isn't clear about when it will provide a courtesy car to Mrs D.*

Mrs D wants Zenith to pay the full costs of the hire car as she doesn't think its policy is clear enough about when it will provide one. She believes that her policy should make it clear under the exclusions part of the theft section that a courtesy car won't be provided unless her car is being repaired.

Mrs D's key facts say that she is covered for a courtesy vehicle while her vehicle is being repaired by its approved repairer. And Mrs D's policy says under the definition of courtesy car; "A Car loaned to you by our approved repairer whilst your car is being repaired following a valid claim" It goes into further detail under the section "Courtesy Car" as follows;

*"If a valid claim is made under your policy, and your car is repaired by one of our approved repairers, the repairer will provide you with a courtesy car (subject to availability) for the duration of the repairs."*

I don't think Zenith misled Mrs D by the way it explained its provision of a courtesy car because it didn't explain it under the theft section. It's always possible that a stolen car may be recovered and repaired, so I think Zenith was reasonable in setting out in both its key facts and policy the circumstances under which it will provide a courtesy car.

I understand that Mrs D has been put to additional costs as she needed a car, however I don't think this is a cost Zenith should pay as Mrs D's circumstances didn't meet the terms of its policy.

If Mrs D remains unhappy with the sale of her policy, she will need to take this up with her broker.

### **my final decision**

For the reasons given above, my final decision is that I uphold this complaint in part and I require Zenith Insurance plc to pay Mrs D the costs of hiring a car for eight days subject to satisfactory proof of payment from Mrs D.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 30 November 2015.

Geraldine Newbold  
**ombudsman**