

complaint

Mr S complains about the way the National Farmers' Union Mutual Insurance Society Limited (NFU) has dealt with a claim he made after his car was in a road accident.

background

The accident occurred on 31 May 2015. The other driver is being prosecuted for failing to stop. Mr S has been asked to give evidence at the criminal trial. Mr S says originally he was told his car would be collected for repair within 24 hours, but this didn't happen. He says eventually NFU told him it wasn't dealing with his claim because of problems with a policy he previously had with the NFU. In the end the NFU said the car was a write off. It offered Mr S £550 less the £100 excess. He didn't think this was enough.

The adjudicator who looked at the complaint thought it should be upheld. She said the delay in dealing with Mr S's claim was unreasonable. She also agreed the NFU had undervalued the car. She recommended it should increase the settlement figure to £845. But she agreed that as the claim was still open, NFU was entitled to deduct the £100 excess. She also asked the NFU to pay Mr S £300 for the trouble and upset its handling of his claim had caused him.

Despite being chased on a number of occasions the NFU didn't let the adjudicator know whether it accepted her recommendations.

Mr S still felt he shouldn't have to pay the excess. He complained that the NFU was demanding he pay £2,500 in relation to the other policy. He also didn't think £300 was enough to compensate him for the trouble and upset he'd had. He thought the NFU needed to be punished financially for the way it'd handled the claim.

Since neither Mr S nor the NFU have accepted the adjudicator's opinion, the case has come to me for review.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The NFU hasn't sent us a lot of the evidence the adjudicator asked for, including all the call recordings, the engineer's report and the system notes for the claim. It hasn't explained why these aren't available.

The accident occurred on 31 May. Mr S's car was returned to him on 17 November. The call recordings the NFU has sent show that Mr S phoned on a number of occasions to ask why his car hadn't been collected for repairs. The only explanation the NFU has given is that its approved repairer wasn't able to get in touch with Mr S. The NFU has produced a number of call recordings showing attempts it made to contact Mr S. There is no evidence that he was ever contacted by the approved repairer or that the NFU told him the garage had been unsuccessful in its attempts to contact him, prior to sending him the final response to his initial complaint in August 2015.

A further difficulty arose because the NFU recorded the registration number of Mr S's car incorrectly. This led to the police telling Mr S they believed he'd been driving without

insurance. On 8 July Mr S told the NFU he wanted to cancel his policy. On 10 July the NFU went ahead and renewed it.

Since there are no system notes available, I've accepted the account Mr S has given of his dealing with the NFU as accurate. He says he was told that the current claim wouldn't be dealt with until the problem with the other policy was sorted out. This related to another car which Mr S hasn't driven for several years. The NFU took the monthly payment for that policy from another policy holder's account so it says Mr S must repay the premiums. I don't think it's either fair or reasonable for the NFU to use the current claim as a way of getting that money back from Mr S. Any request for payment of that account should be dealt with separately. Its only relevance in the context of this complaint is that the NFU's attempt to rely on it resulted in considerable delay in meeting the claim.

Mr S is unhappy that the car was deemed beyond economic repair. Without seeing the engineer's report it isn't possible to say whether that decision was right. Likewise the NFU relied on the engineer's assessment in valuing the car at £550. But as I haven't seen the assessment I agree with the adjudicator that the valuation should be based on the trade guides. These valued the car at £920 and £770. This suggests that £845 is a fair valuation.

Although the other driver is being prosecuted for failing to stop rather than causing the accident, the fact that there are criminal proceedings doesn't in itself mean that liability should be decided in Mr S's favour. However it should put the NFU in a very strong position in dealing with the third party insurer. The fact that the other driver didn't stop does give rise to an inference that he didn't was because he was to blame for the accident. Without the system notes, or any other information from the NFU about what it's done to progress the claim, I don't know whether the claim has been actively pursued as it should have been.

Until the issue of liability is resolved, the NFU is entitled to deduct the excess under the terms of Mr S's policy. If ultimately the outcome suggests the claim wasn't actively pursued, leaving Mr S out of pocket, he will need to make a further complaint.

In this case I agree that the NFU should increase its settlement figure to £845 less the excess and the salvage value. Had the claim been dealt with promptly, as it should have been, I would have expected payment to have been made by 1 August 2015. The NFU should pay simple interest of 8% a year on the full settlement figure from that date.

The NFU has already paid Mr S £50 to compensate him for its error in renewing the policy even though he told it not to.

Mr S thinks the NFU needs to be punished financially for the way in which it's dealt with his claim. Although I understand his frustration, it's not our job to punish a business or impose sanctions for poor customer service. When things do go wrong, as they have here, our role is to do what we can to put the consumer in the position he would have been, if mistakes hadn't been made. In this instance I think the award for trouble and upset should reflect the following matters:

- The delay, which I consider was unnecessary and significant and resulted in Mr S having to spend a considerable amount of time chasing the NFU;
- The error relating to the registration number;
- The decision that the car was beyond economic repair, which in the absence of the engineering evidence, I find was unreasonable.

Taking all this into account I intend to increase the award for trouble and upset to £400. I make it clear that I haven't included any additional amount for any anxiety Mr S suffered as a result of the dispute relating to the other policy. That can be considered, if necessary, in the context of any fresh complaint made by Mr S relating to that matter.

my final decision

I uphold the complaint. I require the National Farmers' Union Mutual Insurance Society Limited to:

- Pay Mr S the difference between £550 and £845 in settlement of his claim along with simple interest of 8% a year on the shortfall in payment from 1 August 2015 until the date of settlement of this complaint. For the avoidance of doubt interest on the full £845 should run from 1 August until the date the total loss settlement was paid, and thereafter on the shortfall until final payment under the terms of this decision;
- Pay Mr S £400 for trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 March 2016.

Melanie McDonald
ombudsman