

complaint

Miss B complains about the level of service provided by Octagon Insurance Company Limited when she made a claim under her motor insurance policy. She wants answers to her questions.

background

Miss B was involved in an incident which she says wasn't her fault. Octagon had its garage look at her car and it deemed it to be beyond economical repair. So Octagon made Miss B an offer for the car's value, less her policy excess. Miss B asked questions about her excess, the fault claim, her no claims bonus (NCB) and the renewal and cancellation of her policy.

Our adjudicator didn't recommend that the complaint should be upheld. She thought Octagon had acted reasonably in response to Miss B's claim. It had made an error in regards to her NCB. But it corrected this and offered Miss B £100 compensation. The adjudicator thought this was reasonable.

Miss B replied that Octagon had acted unreasonably and £100 compensation wasn't enough. She had concerns about Octagon making payment to her, the NCB error, the provision of a courtesy car, the category of her car's loss and her excess.

my findings

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

I can see that Miss B has raised several concerns about her claim and her insurance with Octagon. I can also see that Octagon didn't reply to her first questions about her NCB and excess. If it had, then Miss B may have been reassured that it was dealing with her claim reasonably. I've noted Miss B's concerns, and I will respond to those I think are most significant.

When Octagon made its offer for the value of Miss B's car, it said that if she wanted to accept it then she should send in two documents. These were the car's V5 registration certificate and her MOT certificate. I think this is reasonable as this is a standard request. Miss B accepted the valuation, but she didn't send in her documents. So I don't think Octagon was responsible for any delay in making her payment.

Octagon automatically renewed Miss B's policy when it ran out. This was after her car had been written off and so she didn't have a car to insure. But it later told her that her policy had been cancelled.

This was because the policy was automatically renewed as Miss B hadn't said she didn't want this. But as Miss B had cancelled her direct debits for the premium, Octagon then cancelled the new policy. It cancelled it from the renewal date but didn't apply any charges and there's no outstanding balance. Octagon sent Miss B a letter saying the policy had been cancelled at the date it was processed.

I think it was for Miss B to tell Octagon that she didn't want her policy renewed. Just cancelling her direct debits wasn't enough. The renewal arrangements are clearly set out in the policy documents. I can't say Octagon made a mistake in this. As it is, Miss B hasn't suffered any loss because of this.

Octagon said Miss B's policy excess was £600. This was made up of £500 voluntary excess and £100 compulsory excess for accidental damage, fire and theft. I think this is clearly set out on the Certificate of Insurance. But Miss B said the accident wasn't her fault and no other car was involved. She didn't think she should pay the excess.

But I don't agree. The excess is always payable as the first part of a claim. This is standard practice and its set out in her policy. Miss B agreed the compulsory excess when she took out the policy. She must have also agreed the voluntary excess as it was on her Certificate. I don't have evidence to show this was wrong.

The claim was recorded as "fault", but not because Miss B did anything wrong. It was "fault" as Octagon couldn't recover its losses from any other party.

Miss B said Octagon didn't provide her with a courtesy car. She was entitled to a replacement for 14 or 21 days when her car was deemed a total loss. I can see from Octagon's file that when it received the engineer's report it asked for Miss B to be supplied with a replacement car. It said the company responsible tried to contact Miss B for two weeks without success.

Miss B said she didn't receive any contact from this company. But I can't see that she raised this with Octagon for it to remedy. So I can't say that Octagon acted unreasonably.

Miss B wanted to know how her NCB would be affected by the claim. Octagon told her that as it was protected, her NCB remained unchanged as 9 years. But its letter of NCB proof said 7 years. I can see that it's agreed this was an error and it acted immediately to remedy this. I think this is reasonable.

Octagon agreed that it didn't always respond to Miss B's letters quickly enough or to her first questions about her excess or NCB, as it should have done. It thought it could have provided her with better service. So it offered her £100 compensation for her trouble. I agree with the adjudicator that this is reasonable as it's in keeping with the level we'd award. I don't think it needs to increase this offer.

Miss B has lately asked about her car's category of loss. The adjudicator has advised her that she could contact Octagon about this. But I can see from the engineer's report that it was deemed a Category C total loss.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 13 May 2016.

Phillip Berechree

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