Financial Ombudsman Service

complaint

Ms R complains that Aioi Nissay Dowa Insurance Company of Europe Limited mishandled her claim on a motor insurance policy.

background

Ms R had comprehensive insurance with Aioi. She had a protected no claims discount (NCD). She reported damage to her vehicle. She complained after she found that her insurer had recorded four separate claims, reducing her NCD and increasing the premium other insurers quoted her.

The adjudicator didn't recommend that the complaint should be upheld. She didn't think that the insurer had acted incorrectly. She said that it told Ms R of the separate claims and the consequences. Ms R understood these consequences and wanted to proceed on this basis, the adjudicator said.

Ms R disagrees with the adjudicator's opinion. She says, in summary, that the insurer didn't tell her the claims meant that it might not renew the policy and that other insurers would quote such high premiums.

my findings

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

It's common practice for an insurer to record a claim against its policyholder as a "fault" claim unless and until the insurer recovers its outlay in full from a third party. There may be a number of reasons why such recovery may not be practicable. Therefore a record of a fault claim does not necessarily reflect badly on the policyholder's driving.

It's also common practice for an insurer to record separate claims for damage caused to different areas of a vehicle at different times – even if a policyholder reports them all at the same time.

Most vehicle owners know how – or at least when – damage occurs.

Motor policies usually last for one year. After that the insurer and the policyholder each has to make decisions about renewal and the level of the premium.

Ms R's NCD was protected so that it was unaffected provided she didn't make more than two claims in a three- year period.

She didn't make any claim until someone vandalised the rear and side of her car in early 2014.

From the recording of her first call to the insurer, I'm satisfied that Aioi did enough to tell Ms R that separate incidents of damage would be treated as separate claims – and that more than two claims would affect her protected NCD and her premium.

I don't think the insurer could reasonably have anticipated the number of claims or the future effect on renewal and the premiums other insurers quoted.

The insurer’s engineer actually identified four separate incidents of damage. Ms R hasn’t provided enough engineering or other evidence to contradict this, so I accept what the engineer said. And I think Ms R ought to have been aware that there were more than two separate incidents of damage which the insurer was paying the repairer to fix.

Unfortunately there were two other incidents. I’m aware that Ms R has made a separate complaint about the way in which Aioi dealt with these two claims.

Aioi decided not to offer to renew Ms R’s policy. And she paid a heavy price to get insurance with another provider - even though it was only for third party, fire and theft cover.

So Ms R has had a bad experience. But – keeping in mind the first telephone call – I don’t think Aioi treated her unfairly in relation to the four separate claims.

I don’t think it would be fair and reasonable to order Aioi to take any further action in relation to this complaint.

my final decision

For the reasons I’ve explained, my final decision is that I don’t uphold this complaint. I make no order against Aioi Nissay Dowa Insurance Company of Europe Limited.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms R to accept or reject my decision before 12 February 2016.

Christopher Gilbert
ombudsman