

complaint

Mr H has complained about the fact that Markerstudy Insurance Company Limited took too long to deny liability having received a claim against him from a third-party representative on his motor insurance policy.

background

Mr H got a letter from Markerstudy on 14 March 2018 telling him a third-party had alleged he'd caused damage to their vehicle in an accident. Mr H immediately rang Markerstudy and told them it wasn't him. He then wrote to Markerstudy on 22 March to confirm this and explain why he couldn't have been involved. In the meantime, Markerstudy wrote to the representative for further information. They received this information on 16 March. It showed the driver of the van involved wasn't Mr H and it looked like the van belonged to a company which had nothing to do with Mr H.

Mr H called several times to find out what was going on. On 9 April Markerstudy told him they needed to inspect his van and they arranged this. Once they got the engineer's report following the inspection, they wrote to the representative denying liability on 18 April.

Mr H complained to Markerstudy about the fact he kept having to chase and that it took too long for them to deny liability. But Markerstudy didn't think they had done anything wrong and rejected his complaint. Mr H complained to us, as he still didn't think Markerstudy had handled the matter well. He mentioned his policy was coming up for renewal at the end of April and the worry of losing his no claim discount and paying a higher premium caused him a lot of distress.

Our investigator initially thought Markerstudy should have denied liability when they got the information from the representative on 16 March. And he said the fact they didn't do this until 18 April had caused Mr H distress and inconvenience. He recommended £200 in compensation for this. But when Markerstudy said they didn't agree, on the basis they had to carry out a thorough investigation before denying liability, he changed his mind and said he felt Markerstudy's approach was reasonable.

Mrs H responded to the investigator's second opinion on behalf of Mr H. She said he still didn't think Markerstudy had handled the issue as quickly as they should have done. She also said Markerstudy's staff weren't very helpful when Mr H telephoned for updates and gave him the impression they may well settle the claim from the third-party. She explained Mr H got a renewal quote of over £7,000, which he put down to the fact the claim was still outstanding. So, as far as Mr H is concerned, Markerstudy's poor handling of the matter caused him a great deal of distress and inconvenience.

I reviewed the complaint and wrote to Markerstudy on 8 January. I explained why I felt they should have denied liability much earlier. And that I thought they should pay £200 compensation for the distress and inconvenience their delay in doing so caused Mr H. I'm pleased to say Markerstudy have now accepted this and agreed to pay the £200 I suggested in compensation.

my findings

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

Markerstudy accepts that the allegation against Mr R looked like a case of mistaken identity as soon as Mr H said he wasn't involved. But they felt they needed more than the information provided by the third-party representative on 16 March before they could deny liability. But, I don't agree. It was clear from this information that Mr H wasn't the driver of the van and that the van in question belonged to a company he had nothing to do with. And Markerstudy had Mr H's written confirmation soon after 22 March of what he'd told them on the phone. So, I think Markerstudy should have written to the representative at this point denying liability and removed the claim from Mr H's policy record. Instead, they took nearly another month and arranged what seems to me to have been an unnecessary inspection of Mr H's van. After all, once they knew he wasn't the driver and they knew the van was likely to belong to a company, they could have called the third-party representative and pointed this out, denied liability and suggested they contact the company concerned.

I appreciate Markerstudy felt they needed to make further enquires to be sure, as the registration number given by the representative was of Mr H's van. But – even if I were to accept this, I'd still think they should have been a lot more proactive.

Bearing in mind Mr H's policy was coming up for renewal and the impact a claim could have had on the cost of his policy moving forward, I can see why he was very worried about the situation and kept chasing Markerstudy for an update. And, because I think Markerstudy should have denied liability much sooner and told Mr H this, I think they should pay compensation for the distress and inconvenience he experienced as a result of their failure to do this. And, I agree with our investigator's initial assessment of £200. As I think this adequately reflects the level of distress Mr H experienced, bearing in mind he did find out before his policy renewed that a claim wouldn't be registered against him. And this should have been reflected in the premium he actually paid.

As I've already mentioned above, I put this to Markerstudy recently and they've agreed to pay the £200 in compensation.

my final decision

For the reasons set out above, I uphold Mr H's complaint. And Markerstudy Insurance Company Limited must pay him £200 in compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 21 February 2020.

Robert Short
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