

complaint

Mr C and Ms S are complaining that they received poor service from U K Insurance Limited (T/A Direct Line) when they made a claim on their car insurance policy.

background

In September 2017, Mr C and Ms S were involved in a car accident while on holiday in France. The car was badly damaged and they made a claim on Ms S's motor insurance policy with Direct Line. Mr C was a named driver on the policy and it was he who dealt with the claim.

When Mr C made his first call to Direct Line he experienced difficulties as he was calling from his mobile phone in France and the signal was intermittent. Mr C made Direct Line aware of this and asked to be called back if he was cut off. He started to explain the details of the accident but the call disconnected. But Direct Line didn't call him back. So Mr C called Direct Line and when he spoke to a different call handler he discovered that none of the details he'd already explained on his earlier calls had been recorded. So Mr C complained and spoke to a manager. Mr C was told by the manager that he could get a hire car and that they'd call him back to log the claim.

The claim was then logged and during this call Direct Line told Mr C that as the accident had happened abroad Ms S's policy didn't provide car hire. Mr C said he wasn't told this when he took out the policy and he'd also paid extra for premium car hire. He'd also been told on the earlier call that he would be given car hire. Direct Line said he could claim £50 per day for travel costs up to a maximum of £500 but Mr C was still unhappy.

Mr C complained to Direct Line's customer relations. He was unhappy that he didn't know where his car had been taken to by the recovery vehicle, when it would be repatriated, that his mobile phone app showed the car was unlocked and didn't know what car hire provisions we're being set up for him.

Direct Line told Mr C it had arranged for the car to be inspected through its accident handling agents. It also said the car was in a secure compound at the garage and had been left unlocked for health and safety reasons. But it agreed to arrange for the car to be locked. Direct Line also said it would arrange for a 4x4 hire car to be available to Mr C and Ms S on their return to the UK.

Mr C and Ms S arranged a hire car while in France through a separate insurance scheme and returned home to the UK.

On their return from France Mr C and Ms S continued to chase Direct Line for updates about the claim. Mr C sent Direct Line details of the accident he'd taken while in France and also a copy of the V5 vehicle registration document relating to his damaged car. He also asked about the effect the accident would have on the insurance renewal premium.

Mr C remained unhappy with the progress of the claim. He said he couldn't get through to Direct Line's staff when he called them and wanted his case to be dealt with by one person rather than several. He was concerned with how long it was taking for his car to be repatriated to the UK and he was unhappy that Direct Line hadn't told him they couldn't read the V5 certificate he'd sent to them by email. Mr C also said his mobile phone app showed

the car was unlocked and that he was concerned for the safety of his items still in the car, which included a cool box.

Direct Line said it would try and get the repatriation completed as soon as possible and it confirmed that the car and the items in it were still safe. But the car remained unlocked and Mr C asked for it to be moved to a more secure location. Direct Line said that it would cover any damages while the car was at the garage and that to move the car would further delay the repatriation process. It said that it would keep the car in the current garage and continue with the proposed repatriation. Mr C was unhappy with this. Direct Line said the car should be back in the UK on 27 September 2017. There was some uncertainty if this would happen due to disruption in the Calais area but the car was returned to the UK and to Mr C's garage by 29 September 2017.

Mr C was unhappy that he would be paying a higher premium at renewal because the accident would be recorded as a "split liability" until the claim had been settled. After a number of phone calls Direct Line agreed to waive the excess payable on the claim and to price the renewal premium without the claim counting on the policy. It said it would do this as a gesture of goodwill.

The car was inspected by Mr C who said that it had been damaged in transit. He also complained that the cool box was damaged and his Tom Tom sat nav was missing. After a number of phone calls and emails, Direct Line agreed to pay for replacements for both. And as the car was eventually written off the possible damage to the car while in transit was covered by the final claim settlement amount.

Mr C was still unhappy with the progress of the claim and how long it was taking for the car repairs to be authorised. Direct Line allowed an extension of his hire car which allowed Mr C and Ms S to go on holiday in the UK. While they were on holiday Direct Line told Mr C that the car was indeed a total write off.

The value of the total loss was to be £30,000 but this couldn't be paid until Direct Line received the original V5 certificate, rather than the electronic copy that they did have. Mr C was unhappy and wanted Direct Line to pay the claim immediately. He said that he'd paid a deposit on a new car which he was at risk of losing if he wasn't given the funds to complete the purchase soon. Direct Line continued to say they couldn't pay the claim until they had the original V5. It also said it wouldn't extend the provision of a hire car as they had already allowed Mr C and Ms S a hire car for longer than the policy allowed.

At this point the relationship between Mr C and Direct Line deteriorated and Direct Line said it would only communicate by email going forward. It also said it wouldn't be renewing Ms S's insurance policy. It paid the £30,000 claim and the replacement value of the sat nav and cool box and continued to progress the recovery of the claim from the third party insurer in France.

Direct Line responded to a number of complaints made by Mr C and Ms S. It said that it could have given a better service at times and in addition to the extended car hire it had already allowed and the waiver of the £300 excess it had previously agreed, paid £50 in compensation for this.

Mr C was still unhappy. He'd taken out car insurance with a different insurer and was paying a higher premium as the accident was recorded as "split liability". He said this was unfair as

the accident was not their fault and Direct Line wasn't progressing the claim quickly enough. And he was suffering financially as a result.

Mr C said he'd received conflicting information about whether or not Direct Line had the other driver's insurance details – which it would need to progress the claim and settle the issue of liability. Direct Line said there had been some confusion and explained that it was now aware of the correct details and it would try and progress the claim as quickly as possible. And it would update Mr C by email every two weeks with a progress report.

But Mr C later complained that he wasn't getting these updates and he had to contact Direct Line to find out what was going on. Direct Line replied and apologised for not keeping to the agreed communication plan and also for not doing more to progress the liability aspect of the claim. And it paid Mr C £75 compensation for this.

Following this Mr C complained that he still wasn't getting any updates, that Direct Line wasn't responding to his emails and that the accident was still recorded as "split liability". He also complained that Direct Line didn't send him a translation of a French court document that he'd received relating to the accident. And he said Direct Line had changed its mind about the recording of the fault.

Direct Line said that they would only contact him every two weeks with an update on the progress. It also said that it wasn't aware that he couldn't understand the French court document so didn't send him a translation – but it was willing to do so. And it said it hadn't changed its mind about the recording of the claim as "split liability". It said that the claim would only be recorded as "non-fault" once Direct Line had recovered its losses. And it further said that recovering these losses could take some time. Later it said the French legal system allowed French insurers up to six months to investigate and provide their position on liability to the other parties involved.

As Mr C was still unhappy he brought the complaint to this service. Our investigator looked at the case and said that, although the service Direct Line had provided could've been better, he thought the action they'd taken to address the issues was enough and he wouldn't be asking Direct Line to do anything else.

Mr C didn't agree and so the complaint has come to me for a decision.

I issued a provisional decision in April 2018. An extract from the provisional decision follows:

Mr C and Ms S have raised a large number of specific service complaints that have been raised throughout and there is a large amount of evidence on file in terms of emails, call recordings and case notes. Complaints of a similar theme are raised at varying parts of the claim history. I'll deal with the points raised under a number of broad themes.

lack of understanding and empathy with the circumstances of the claim
Mr C says that Direct Line showed a lack of understanding and empathy for his circumstances when he first contacted them about the accident. I've listened to these calls and I agree that Direct Line should have shown greater understanding. I'm mindful that Mr C and Ms S had been involved in a very distressing accident which effectively ended any enjoyment of their holiday. They would most likely have still been in shock. In one of the early calls Mr C did say he was still in shock but Direct Line didn't acknowledge this and Mr C was put to the inconvenience and distress of having to repeat the details of the

accident. And he had to call Direct Line back, on several occasions after being cut off, despite asking Direct Line to call them if that happened.

Overall, I don't think Direct Line provided Mr C with the level of service, care and concern, that he could reasonably expect to receive when he first told Direct Line about the claim. And, from the responses I've seen, I don't think Direct Line have acknowledged this as I would expect.

progress of the claim

Mr C complains that Direct Line took too long to progress the claim.

I've looked here at the actions Direct Line took to progress the claim from the time of the accident to the time they settled the claim as a total loss. I've considered the fact that the accident took place in France and it was necessary to involve other parties in the claim process. This includes French garages where language differences presented additional challenges to the speed of progress. The car then had to be repatriated and the time to do this was hampered by disruption at Calais. I've looked into this and note that there was indeed disruption at that time.

Once the car had been diagnosed as a total loss it was necessary for Direct Line to have the original V5 certificate before they could pay the claim. Direct Line told Mr C that they had this certificate but later said that they only had a copy and insisted on the original document before the claim would be paid. I think it's unfortunate that Mr C was told incorrect information and given the situation Direct Line should have been more careful to provide him with accurate details. But I think it progressed this part of the claim within satisfactory timescales.

I also note that Direct Line paid for the replacement of both the Tom Tom sat nav and the cool box. And it also paid for the postage of the V5 certificate, so I think it acted fairly with the way it settled the claim.

establishing liability and recovery of loss

Mr C thinks that Direct Line hasn't progressed the part of the claim that establishes liability and recovers the costs quickly enough. And he complains he's paying additional premiums as a result of these delays.

Mr C has complained about the claim being recorded as "split liability" and thinks it should be recorded as "non fault". I dealt with this issue in a separate complaint and so will not comment on it here.

I've looked carefully at the evidence available. Having done so I do accept that as the accident happened abroad the process to establish liability and recover costs is likely to take longer than if it had happened in the UK. This is because of language and legislative differences. But I've also seen that there were delays in establishing some key details in the early part of the claim. There seems to have been particular confusion around the other driver's insurance details. Direct Line have acknowledged this and paid £75 as a gesture of good will. I'm pleased to see they did this and I think this is fair.

But having looked at the evidence overall, while I think there were some delays in the early part of the process I don't think these significantly impacted the timescale to resolve liability

and recover the losses. I've already acknowledged the process should reasonably be expected to take longer than usual. And I'm also mindful that Direct Line isn't entirely in control of the timescales as it needs to rely on French legislative processes.

So, overall, I think Direct Line hasn't caused the overall recovery of the claim or the establishment of liability to be delayed.

uninsured driver promise clause

Mr C has queried why the "uninsured drivers promise" section of the policy isn't relevant and Direct Line should have used it to record the claim as "non fault".

Broadly, this term of the policy says that if an accident is not the fault of the policy holder, and the third party is uninsured, they won't lose their no claims discount or pay the excess. It also says that when the claim is made the policy holder may have to pay the excess at first and pay a higher premium at renewal. But once liability is established and it's found the third party was uninsured all these extra costs will be refunded.

In this complaint it hasn't been established that the third party is uninsured. So I don't think the "uninsured drivers promise" section of the policy applies. I'm also mindful that Direct Line agreed to waive the excess in this case.

lack of response to phone calls and emails

Mr C complains that Direct Line hasn't returned phone calls and emails and that he's had to chase for updates and information when he thinks he should have been better updated. The evidence on the file shows a large amount of communication in terms of phone calls and emails. From the calls I've listened to and the emails I've read it's clear to me that Mr C had very high expectations of the level of service he would get following the accident. He was clearly irritated with the lack of progress and/or when he didn't think he was getting clear answers and, as a result, he continually asked for his complaints to be escalated. I think much of Mr C's irritation resulted from his experience with the initial part of the claim where trust seems to have been lost. I can understand this but I do think that Direct Line were genuinely trying to progress the claim as quickly it could, given the circumstances of the accident and considering the terms of the insurance policy. I've already mentioned it settled the claim within what I consider to be a reasonable timescale, given the circumstances, and they allowed Mr C and Ms S a longer period of car hire than they were entitled to.

Direct Line made the decision to contact Mr C by email only. I've listened to many of the calls and can see that Mr C's irritations resulted in the calls becoming both unhelpful and unproductive. So I think Direct Line were within its rights to contact Mr C by email only.

I've already said I think it's reasonable to expect the recovery of the losses to take longer than might be expected. And so I think Direct Line's decision to update Mr C fortnightly, unless any developments happened, is also reasonable.

inconsistent and incorrect information given

Mr C says that throughout the claim process Direct Line has given him conflicting and inconsistent information. The first example he gives is when he made the original claim and was told he was, and then told he wasn't, eligible for car hire. From the evidence I've seen, Direct Line did acknowledge this and, over the life of the claim, provided Mr C and Ms S with

a higher level of car hire cover than the policy provided. I'm pleased to see this but can appreciate Mr C's initial confusion.

Another example was conflicting information Mr C received when he asked Direct Line if they had the other driver's details relating to the accident. Direct Line apologised for this and explained there was some confusion between the various agents working on the claim. I'm pleased Direct Line acknowledged this but I can also understand Mr C's frustration.

I've also looked at Mr C's complaint that Direct Line didn't provide him with a translated copy of the French court documents he received. On balance, I think Direct Line should have at least checked that Mr C understood the detail. I think he was reasonably entitled to expect Direct Line to give him all the relevant information relating to the loss recovery process.

Mr C says Direct Line hasn't progressed the recovery of the losses quickly enough. And he's paying additional insurance premiums until the losses are recovered and the claim is recorded as "non fault". I've looked at the evidence and have already mentioned that I accept that as the accident happened in France, it is likely to take longer to settle the claim and recover the losses. But I've also seen that Direct Line have told Mr C on a number of occasions that under French legislation French insurers have up to six months to establish liability. I've queried this with Direct Line and it's told me that this is incorrect. I think Mr C, at the very least, is reasonably entitled to receive accurate information in the updates he receives.

So I don't think Direct Line has acted fairly and reasonably at all times when providing information to Mr C.

conclusion

Having considered all the evidence I think Direct Line failed to deliver the correct level of service when the claim was first brought to its attention. And I don't think it's always given the accurate information Mr C was reasonably entitled to when he asked for updates on the claim.

Having listened to the calls on file I do think Mr C's behaviour on the telephone became very challenging and he had very demanding service expectations which were difficult for Direct Line to meet. I think Direct Line genuinely tried to help Mr C despite this.

It also acknowledged errors it had made and, as well as waiving the £300 excess payable on the claim, and extending the car hire provision, paid Mr C and Ms S £125 for service failings.

I've looked at the compensation Direct Line has already paid Mr C and Ms S and think they should pay an additional £150 for the poor service when Mr C originally notified them of the claim and for providing incorrect details about the timescales for the establishment of liability and recovery of the losses.

my provisional decision

For the reasons stated above I intend to uphold this complaint and direct UK Insurance Limited to pay Mr C and Ms S £150 in compensation.

developments

Direct Line has responded to my provisional decision. It said that while it accepted Mr C and Ms S's claims journey had not gone as smoothly as it should've, it felt it had taken considerable action to correct and resolve any issues. It listed a number of items that had been claimed for which it settled at a higher level than it needed to under the policy terms. And it also explained the car hire it allowed Mr C was considerably in excess of what it was required to provide, in terms of rental period and grade of car. Direct Line says that these corrective actions and concessions were given despite Mr C being difficult in his dealings with it and its suppliers.

Direct Line has asked what impact the provision of incorrect information had on Mr C. And it's said that it also paid Mr C and Ms S an additional £150 which had not been recognised in the provisional decision.

Mr C has said that much of what was written in the provisional decision is factually incorrect. But he hasn't said which particular facts are wrong. He thinks Direct Line are not treating him fairly as it's sending him emails saying it'll respond to his correspondence in five days but it hasn't – it will only communicate with him fortnightly.

my findings

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

Direct Line has asked what the impact was on Mr C for the provision of incorrect information. It says that the claim wasn't delayed as a result. I've already said that I think Mr C was entitled to correct information relating to the liability dispute. It was clearly very important for him to get the matter resolved quickly. I accept that if correct information had been given it may well not have made a difference to the resolution. But, once he was aware that the information he'd relied upon as being accurate was in fact incorrect, I think the further breakdown of trust will have caused him unnecessary distress.

Direct Line also say it made a number of concessions on the claim, beyond what it needed to, despite Mr C's difficult and challenging behaviour towards its staff. And it doesn't think this is reflected in the provisional decision. I've already said that, having listened to the calls, I think Mr C's behaviour became very challenging and he made service demands that were difficult to meet. I've said that I think, despite this, Direct Line genuinely tried to help Mr C and I make no further comment on this point.

Mr C has said he thinks he's being treated unfairly because Direct Line will only contact him fortnightly but will respond to other customers within five days. I've already set out in my provisional decision why I think it's reasonable for Direct Line to contact him fortnightly and so I make no further comment.

Finally, I asked Direct Line for more information about the additional £150 it said it had already paid Mr C and Ms S. It said this was paid at the time Mr C was unhappy with the service he received when discussing the renewal premium on the policy. It provided evidence of the payment and acknowledged it hadn't referred to it in any of the complaint final responses it had issued. I've informed Mr C that I'd received this evidence and because it was for the same amount I'd provisionally decided to ask Direct Line to pay, I wouldn't now be asking it to do anything else.

my final decision

For the reasons stated above I think UK Insurance Limited have done all it should have to correct errors it made during the claims process. And so I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Ms S to accept or reject my decision before 21 June 2018.

Ben Castell
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