

complaint

Miss S complains that when she made a claim on her motor insurance policy, U K Insurance Limited ("UKI") provided her with poor service.

background

Miss S's car was damaged in a non-fault accident in mid-December 2017. UKI initially contacted the wrong third party insurer. It had recorded the wrong registration plate details when Miss S reported the accident. The error wasn't corrected until Miss S rang UKI for an update on 3 January 2018 and sent UKI photos of the third party's car.

Miss S had to call again for updates twice that month. On one of these occasions she was told that the third party insurer had asked for more information. On 1 February 2018 she rang UKI again about progress. Following her call, UKI chased the third party insurer.

Miss S didn't think UKI was doing enough to progress the claim or to update her, so she made a formal complaint about its service and lack of contact. She was worried about having an open claim against her when her insurance came up for renewal. UKI said it would ensure her premium was adjusted if that happened. But that meant staying with UKI – which Miss S didn't want to be forced to do.

UKI wrote to Miss S on 13 February 2018 offering her £75 for its initial error. It also gave her our referral details. Miss S had to call UKI for a further update on 21 February 2018. It was only by calling UKI that Miss S found out that the other insurer had accepted liability.

Our investigator thought UKI should offer Miss S £150 compensation in total. As UKI disagreed, the complaint was passed 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.

UKI accepted that it made an initial error, but it doesn't accept that there was any further poor service on its part. It says the overall period taken to deal with the claim wasn't excessive. And it's pointed out that the third party's insurer had to be given time to investigate. UKI says it was unable to do anything further until that insurer made a decision.

Whilst I think those points are valid, I also think it's clear from UKI's file notes that it could have updated Miss S more often. I think it's good practice to do that even if there's no progress to report. But in this case there were times when Miss S should have been contacted – but she only found out that was the case when she rang for updates. So I can see why she thought UKI's overall service was poor.

At one point UKI told Miss S it would waive her policy excess and ensure her no claims discount wasn't affected. Miss S didn't think that was much of an offer, given the claim was non-fault anyway. It would have been useful to Miss S to have the excess waived 'upfront' had she wanted to get the repairs to her car done whilst the claim was ongoing. But she'd said from the start that she wanted liability to be accepted by the other party first.

I don't think there's any doubt that Miss S was inconvenienced by having to chase UKI for updates. She was very upset to find out more than once that it should have called her about a specific issue or chased the other insurer. Taking that and the initial delay into account, I don't think it's unreasonable to require UKI to pay Miss S £150 compensation.

my final decision

My final decision is that I uphold this complaint. I require U K Insurance Limited to pay Miss S £150 compensation in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 7 July 2018.

Susan Ewins
ombudsman