

complaint

Mr and Mrs N have complained about the way that Acromas Insurance Company Limited dealt with their motor insurance claim.

background

Mr and Mrs N's car was damaged in an incident where Mrs N was driving. Acromas said the car was beyond economic repair and made a final offer of £2,000. They think the car is worth more than what Acromas has said and want them to find and buy a replacement vehicle.

As the accident wasn't Mrs N's fault another company was used to provide Mr and Mrs N with a hire car. But when Acromas paid Mr and Mrs N the car's value the hire car needed to be returned to the other company. They would like a hire car to be provided until the matter has been resolved.

An adjudicator recommended that the complaint should be partly upheld. She thought Acromas had paid a fair amount for the car. And it was reasonable that a hire car had been provided until after the final payment had been made.

The adjudicator felt there were some customer service issues including;

- incorrect third party registration details being passed to the credit hire company
- the engineer's report and repairs estimate weren't sent to Mr and Mrs N after they'd requested them.

She recommended that Acromas increase its offer of compensation from £50 to £150.

Acromas didn't agree with the adjudicator. Mr and Mrs N said they want their car repaired and have since bought another car, which they want Acromas to pay for.

my findings

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

paying or repairing

Mr and Mrs N's policy says that Acromas will decide whether to repair damage or pay up to the car's market value at the time of loss. This is standard across the motor insurance industry and so Acromas doesn't have to search for and buy a replacement car. So I think a cash payment was fair but it had to be for the market value.

Mr and Mrs N would like their car repaired. The *estimated* repair cost was £1,564.87. But this doesn't take account of anything that crops up once the vehicle starts to get dismantled and can't be seen when estimating damage. It's general industry practice for an insurer to write a car off when the estimated repair cost gets close to the market value. The actual difference may vary between insurers but in this case I think it was reasonable for Acromas to write the car off.

The amount paid

We look to see whether a fair valuation has been paid. We do this by checking motor trade guides because they are based on nationwide research and actual sales figures. Two main trade guides provided values of £1,735 and £1,925. So I think Acromas paid a fair and reasonable amount to Mr and Mrs N.

Acromas' final payment was made on 26 February 2015 and Mr and Mrs N were allowed to keep the hire car into early March 2015. As payment had been made Mr and Mrs N weren't entitled to an alternative hire or courtesy car. I don't think Acromas did anything wrong by not extending the hire car any further.

service and other issues

Mr and Mrs N want payment for additional costs including accommodation, loss of earning due to the accident and the claim, cost of hiring a car and losses incurred due to having to purchase a new car. These aren't covered by the policy so I don't agree that Acromas should pay these.

Acromas took some details down incorrectly and this caused some inconvenience in having to clarify information already given. And it was clear that Mr and Mrs N hadn't received a copy of the engineer's report or the repair estimate. While sent by Acromas, Mr and Mrs N told them the reports weren't attached. And instead of trying to put this right they told Mr and Mrs N to contact the ombudsman service. I think that Acromas should have sent the reports again at this stage as it was clear that Mr and Mrs N had not received them. And this only delayed their understanding of what had happened. I think £150 fairly reflects the inconvenience Mr and Mrs N suffered.

my final decision

My final decision is that I uphold the complaint. I require Acromas to pay £150 compensation to Mr and Mrs N (less any amount already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs N to accept or reject my decision before 3 December 2015.

Sean Hamilton
ombudsman