complaint

Ms W says Royal & Sun Alliance Insurance Plc ("RSA") provided poor service when she made a claim on her motor insurance policy.

background

In July 2018 a person not insured on the policy was driving Ms W's camper van when it was involved in a serious accident. Ms W didn't report the accident to RSA for a month as she didn't know about it. In the meantime her ex-partner ("Mr A") had obtained a quote from a garage to repair the van and had made enquiries with other potential repairers.

When told about the accident on 20 August 2018, RSA contacted the police and the owner of the recovery / storage firm Ms W was using, who said the van was driven through the wall of a field and a bridge wall. It was stopped from falling into the stream below by a telegraph pole it hit, and was left hanging over the edge. He said members of the police, the fire service, an electricity company and the local council had all attended the scene.

RSA decided that the vehicle was a total loss and asked a salvage firm ("firm C") to collect it. It also asked Ms W to send the van's V5 registration document to the DVLA saying firm C was the new registered keeper. An independent engineer inspected the van on 29 August 2018. He said the extent of the damage was such that it was a 'category B' total loss, which meant it couldn't be repaired and returned safely to the road.

After RSA investigated the facts it said the claim wasn't valid, given that the driver at the time of the accident wasn't covered by the policy. It declined the claim in December 2018. Firm C said it would return the van to Ms W, auction it or buy the salvage from her. Ms W said she'd been disadvantaged by RSA's actions. She said it had decided the van was a total loss before the engineer reviewed the damage – and took ownership at that point. She said the delay in declining the claim meant the firm that had agreed to repair the van would no longer do so, as it thought it would have deteriorated whilst at firm C's premises.

One of our investigators reviewed Ms W's complaint. He didn't think RSA was wrong to write the van off as it had, or to get her to transfer the V5 over to firm C. He said the van couldn't have been returned to the road, despite any offers Ms W had obtained from repairers.

As there was no agreement, 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.

There's extensive correspondence on the file between the investigator and Ms W before and after he issued his initial view. I won't address every issue that was discussed, but I'll cover all the points that I think are central to the complaint.

When she first reported the accident, Ms W didn't know the details of what had happened. But she said the woman who was driving the van at the time had been convicted of drink-driving and having no licence or insurance. The advisor didn't comment on that. Ms W thinks he should have told her then that the claim wouldn't be covered. Instead he said she should

let RSA have an estimate for repairing the van for it to assess. He also said he'd contact the police and the firm where the van was being stored for further details.

I think the advisor should have noted that someone not covered on the policy was driving the van. In my opinion, that should have prompted him to say that the claim *may* not be covered. And RSA has accepted that he should have recorded the details in a different way. But I don't think there were enough details available at that point for him to say the claim would declined. It wasn't even clear who the driver was – let alone in what circumstances she was driving the van. And although Ms W told the advisor that apparently the van was a write-off, at the time RSA couldn't have known for sure whether that was the case, and if so what category it fell in to.

RSA told us that when it got further details of the accident a few days later, it used a 'predictive tool' on its system to work out the likelihood of the van being written-off. I don't think it was unreasonable for it to do that. Other insurers use similar tools, as they can often speed up the claims process. RSA says its predicted view sometimes changes after a review of the damage by an engineer. But in this case an engineer confirmed shortly afterwards that the damage made the van a category B total loss. I think RSA was entitled to rely on the engineer's technical expertise, given that Ms W hasn't produced conflicting evidence from another engineer that's more persuasive.

Ms W doesn't think it was right for RSA to ask firm C to collect the van and ask her to sign it over before the engineer had confirmed the total loss category. RSA was confident that taking those steps was reasonable in the circumstances. And I don't think what it did had an adverse impact on Ms W. Had the initial prediction been wrong – and the van turned out to be a *repairable* total loss - RSA would normally have looked at the options available to Ms W under the policy. Had that happened, she could have taken back ownership of the van and it could have been repaired by RSA. But the normal options wouldn't have applied in this case. As the van's driver at the time of the accident wasn't named on the policy, there was no cover under the policy for the damage she'd caused.

In any event, RSA's predicted outcome proved to be correct. As the van was a category B total loss, Ms W couldn't have had it repaired (even if she'd still owned it) given that it could never be returned to the road. RSA was still investigating the claim at that point. Had it been valid, RSA would have offered Ms W the van's pre-accident market value, as repairing it wouldn't have been an option. But as the claim *wasn't* valid, Ms W lost out, as her options were then limited. One option was to take the van back to sell the parts / salvage herself. Another was to allow firm C to sell it for her, or buy the salvage. Unfortunately, whatever she did, Ms W was bound to get a much smaller small sum for the van that she would otherwise have done, due to its category B status and the fact that the claim wasn't covered.

Ms W wasn't offered the disposal options for the van until December 2018, so for several months after she made the claim she wasn't able to do anything. She thinks the van deteriorated during that time, but there's nothing to show that's correct. And I think it was reasonable for RSA to investigate all the facts before making its decision. That included waiting for a written police report. I don't think RSA could have been expected to rely on the partial (second-hand) details about the driver that Ms W provided in her initial call to RSA, as she's suggested.

Apart from reviewing the facts around the accident and the driver, RSA also had to investigate how the van was being used before the accident. It thought there may be grounds to void the policy. That issue isn't part of this complaint. But as a separate set of

facts had to be established in relation to the potential voidance, the overall investigation would always have taken longer than had the accident alone been reviewed.

I have great sympathy for the position Ms W finds herself in. She had no involvement in any of the issues RSA had to investigate, yet she was left with only the salvage value of a category B total loss vehicle. Ms W also faced very difficult personal circumstances whilst the investigations were ongoing, which can only have made matters much worse for her. But I have to decide whether Ms W has shown that RSA acted unreasonably. As I don't think she's been able to do that, I can't uphold her complaint.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 30 July 2020.

Susan Ewins
ombudsman