

complaint

Ms C's complained about the way Allianz Insurance Plc dealt with a claim from a third party under her motor insurance policy.

background

Allianz received a claim against Ms C's motor policy from a third party in November 2015. When it contacted Ms C she said she hadn't been involved in an accident and she'd recently sold her car. Allianz told the third party's representative it believed this was a case of mistaken identity. It closed the claim in February 2016 as it didn't hear any more from the third party's representative.

Ms C complained to Allianz in February 2016. She felt its staff had lacked empathy when they spoke to her and she was unhappy with the way Allianz dealt with the third party claim. Allianz paid Ms C £250 for the inconvenience caused by having the claim recorded against her while it investigated and for the way it handled her calls.

In April 2016 Ms C complained to Allianz again. She said she was told her premium would be reduced to reflect the closed claim as her policy had renewed in December 2015. She said she'd received lots more calls from Allianz about the claim after February. Despite assurances from Allianz, the claim was still showing as a fault claim against her on an external database.

Allianz apologised for not updating the claim on an external database in February as it said it would. It did this in April 2016. But it said it told Ms C's broker in February that the claim had been closed - so it was for them to deal with any increase in premium she'd paid. Allianz had no record of calling Ms C after February. So it didn't pay her any further compensation.

Ms C didn't think Allianz had considered her complaint properly, so she asked us to look at it for her. The adjudicator who investigated her complaint didn't recommend it should be upheld. She thought Allianz had dealt with Ms C's complaint in a fair way. There was nothing to show its delay updating the external database had any impact on Ms C's premium. Ms C told the adjudicator she'd received nuisance calls since the third party made a claim. The adjudicator didn't hold Allianz responsible for these calls. And she thought Allianz had investigated and closed the claim within a reasonable period of time.

Ms C didn't agree. She said if Allianz had offered her £250 compensation in January, it might have been enough. But it told her it would remove the claim from the database within a few days and didn't do this. Allianz continued to call her about the claim after February 2016 which caused her further distress. Even if her premium wasn't increased at renewal, she said she wasn't able to choose from the open market because of the claim. She'd obtained quotes from other insurers at the time and they were ridiculously high as a result. So she doesn't feel we've properly considered her complaint and the upset Allianz caused her.

So the matter has been passed to me to decide.

my findings

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

When an insurer receives a claim from a third party, it has a duty to properly investigate it. I appreciate Ms C provided proof it couldn't have been her car that was involved in the accident. And it appears the third party made a mistake with the registration details. But it was reasonable of Allianz to hold the claim open after Ms C provided proof.

It told the third party's representative why it didn't believe the claim was correct against Ms C. So it was fair to give them the opportunity to reply before Allianz closed the claim, in case they didn't agree. Because the third party didn't reply to Allianz, the claim was kept open a little longer. But I don't think Allianz is at fault for this as it chased the third party representative for a reply.

Allianz closed the claim in February 2016 and informed Ms C's broker. Allianz apologised to Ms C for the upset dealing with the claim caused her and its call handling by compensating her for £250. I understand it was upsetting for Ms C when Allianz first contacted her about the claim. But unfortunately she was involved in a case of mistaken identity caused by the third party's error – so it was inevitable that this would cause Ms C some inconvenience and time to deal with. I don't think the time Allianz took to investigate and close the claim made the situation worse.

When Ms C contacted Allianz in April 2016, she said she'd continued to receive calls from Allianz after February about the claim - and it hadn't updated the external database despite saying it would do so in February. However, Allianz has no notes of further calls that it made to Ms C as she described.

But Allianz did fail to update the external database in February when it closed the claim and it apologised to Ms C for this. Ms C says because it still didn't do what it said, this caused her further distress and she overpaid for her insurance premium for several months.

I haven't seen anything to show Ms C paid a higher premium at renewal – and Ms C says she accepts her premium may be right. She will need to discuss any potential refund owed to her with her broker who arranged her policy at renewal. But Ms C says the issue is she couldn't get a reasonable quote from other insurers on the open market in December because the claim was still open.

Allianz was still investigating the claim when Ms C's policy came up for renewal in December 2015. The timing of this was unfortunate as it meant the claim was open as a 'fault' claim on the Central Underwriting Exchange (CUE) database. So this meant quotes Ms C got from other insurers were higher as a result. But Allianz wasn't in a position to close the claim in December, so the status of the claim was correctly recorded. So whether Allianz updated the claim on the external database in February or April 2016, the impact would have been the same for Ms C in December 2015. So I don't think Allianz is responsible for any restrictions Ms C felt she had in terms of choice for insurance cover at renewal.

I understand Ms C was very upset when she found out about in April that Allianz hadn't closed the claim on the external database in February. But I think Allianz's apology for its failing was a proportionate approach to take, given the impact. And its earlier compensation of £250 for the upset the claim caused Ms C and its lack of empathy when it spoke to her was fair and reasonable.

my final decision

For the reasons I've given above, 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 C to accept or reject my decision before 3 January 2017.

Geraldine Newbold
ombudsman