

complaint

Mr A complains that Allianz Insurance Plc mishandled his claim on a motor insurance policy.

background

Mr A and a third party were involved in an accident. Allianz arranged to repair Mr A's car. But he complained about delays. He also complained about the quality of the repairs and damage to the boot lid mechanism. After some rectification work, Allianz offered a further inspection and £200 compensation.

The adjudicator recommended that the complaint should be upheld in part. She thought that Allianz had been slow to do the further inspection. But she said it had made a fair and reasonable offer to:

1. pay a further £250 compensation;
2. do a follow- up inspection and arrange alternative options for the rectification work, including rectification of the issue with the boot.

Mr A disagrees with the adjudicator's opinion. He says, in summary, that – because of Allianz's delay in settling his claim – he had an open claim against him when his policy expired. His new insurer charged him about £600 more than it would otherwise have charged, he says.

my findings

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

Where I refer to Allianz, I include its repairer and any other parties for whose actions I hold it responsible.

Mr A had a large luxury saloon car. From its badge, I think it's a rare model. And from its registration plate, I think it was made in about 2010. A photograph shows it had about 100,000 miles on the clock.

Mr A reported that the third party had caused the accident by crossing into Mr A's lane, damaging the right hand side and front of his car.

I think Mr A's car became un-driveable. Allianz arranged for it to go to its repairer.

Allianz provided a loan car. It was too small for Mr A to drive in comfort. But I think that it was in line with the terms of the policy.

After about a week, Allianz referred Mr A to a credit hire provider. It provided him with a large car at a high cost. Mr A took the risk that he'd have to pay for it if the third party didn't.

It took the repairer a long time to get spare parts for Mr A's car and to do a repair. But it was a rare model and I don't think this was an unreasonable delay.

In the meantime Mr A had the credit hire vehicle for about two and a half months.

After he got back from a holiday, Mr A got his car back. He complained about the repairs and about damage to the boot mechanism.

Allianz's engineer said the repairs to Mr A's vehicle were of a poor standard and needed rectification work. So Mr A suffered further inconvenience while his car went back to the repairer for another couple of weeks.

The claim against the third party was still open when the policy year came to an end. Mr A lost the benefit of a no claims discount. Through a broker, he changed insurers and he says he had to pay more than if the claim had already been settled in his favour.

In a final response letter, Allianz said it had missed opportunities to send a statement to the third party insurer and there had been claim delays of three and a half months. Allianz sent Mr A a cheque for £200 for its delay. From what he has said, I don't think he cashed it.

A week or two after its final response, Allianz received the third party's insurers' cheque for the repair costs. Allianz refunded Mr A's policy excess. So I find it likely that it was treating Mr A as not at fault.

But Mr A had changed insurers when his policy ran out about two and a half months earlier. So I find it likely that Allianz's admitted delay - of three and a half months - means that it could and should have closed the claim in Mr A's favour before he had to get insurance for another year.

I've seen a screenshot of quotes for between about £530 and £900. But they don't mention Mr A or his vehicle.

I've seen evidence that Mr A agreed to pay a finance company about £1,260. But I think this included interest at a rate of about 30%. And I haven't seen the policy schedule or any other document confirming the annual insurance premium.

So overall I've not seen enough documentary evidence that – because of Allianz's delay – Mr A had to pay more for his insurance. And I've not seen enough correspondence or other evidence to support his statement that his broker can't get him a refund on the grounds that the claim is being treated as not his fault. So I don't think it would be fair and reasonable to order Allianz to pay Mr A compensation for a financial loss in respect of his premium.

Mr A still wasn't happy with the repair. Allianz instructed an independent engineer who numbered 21 reported issues with the car as follows:

- “1. Bootlid operation*
- 2. Poor repair Right hand rear wing paint masking edges, inclusions and dryness around fuel tank neck.*
- 3. Poor repair Right hand rear door edge polish debris marks and overspray to door seal.*
- 4. Poor repair Right hand rear door aperture dry paint.*
- 5. Poor repair Right hand front door lower edge rough paint.*
- 6. Poor repair Right hand front door dents visible.*
- 7. Poor repair Right hand rear door window scraper moulding marked.*
- 8. Poor repair Right hand rear door external handle marked.*

9. Poor repair Right hand roof rail moulding paint overspray and mask edging rubber damaged.
10. Poor repair Right hand front alloy wheel blistering around centre cap and repair scratching marks.
11. Poor repair Front bumper paint blemishes.
12. Left hand headlamp lens discoloured
13. Poor repair Front bumper lower spoiler dry paint finish.
14. Poor repair. Paint finishing to front bumper lower spoiler ...badge.
15. Poor repair Right hand rear wing paint popping blemishes
16. Poor repair Right hand rear door roof rail aperture paint run and repair edging.
17. Poor repair Right hand rear door edge rough paint.
18. Poor repair Right hand front door edge paint edging.
19. Poor repair Right hand front wing paint popping.
20. Poor repair Front bumper right hand wheel arch section paint finish dry.
21. Poor repair Front left hand grille paint overspray"

As regards item 1, Allianz has offered to investigate - but in any event to repair the fault. I think it's fair and reasonable to hold it to that offer.

As regards items 5, 6, 11, 18, 19 & 20, the independent engineer recommended that Allianz should rectify the faults.

With regards items 2, 3, 4, 7, 8, 9, 10, 13, 14, 15, 16, 17 & 21, the engineer said:

"As there was evidence of previous repairs to the vehicle it is in my opinion these particular items may be due to previous repairs."

I've underlined the word "may" because I find his conclusion tentative. And I've underlined his words "previous repairs" because it's not clear whether anyone had told the engineer that Allianz's repairer had not only done repairs but also work to rectify some aspects of those repairs.

I think there's some evidence that – at some time before the third party hit Mr A's car in the right and front – someone had repaired damage to its left and rear.

As regards item 12, I've seen a photograph, and I accept that the left headlamp lens looks different to the right. But I think this is due to wear and tear to the left one, which wasn't damaged in the accident. So I don't think it would be fair and reasonable to order Allianz to change it.

But – leaving aside item 12 - the poor repairs all relate to the right hand side of the car. Allianz's repairer didn't record any pre-existing damage or poor repair. Instead it had two attempts at repairing that side. So on balance I find Allianz responsible for putting right all the faults except item 12.

Mr A later got a dealer to give him an estimate for repairs totalling about £3,200 plus VAT. That was for all the items, including a new left headlight.

I think it's fair and reasonable to order Allianz to pay for rectification of items 1-11 and 13-21. This will be subject to co-operation by Mr A and will not apply to any panel or component which has suffered further damage.

I don't doubt that – by some delays and poor quality repairs – Allianz is responsible for causing Mr A some extra upset and putting him to some extra trouble at an already difficult time. Keeping in mind his long period in the credit hire vehicle, I think £450 is fair and reasonable for this.

my final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I order Allianz Insurance Plc to:

1. re-instruct and pay the engineer who inspected Mr A's vehicle in about September 2015;
2. instruct that engineer to re-inspect the vehicle and identify any further damage to it since that time;
3. provided that:
 - a. Mr A makes his vehicle available to a repairer of Allianz's choice;
 - b. it shall not be under any obligation to rectify any panel or component which – in the reasonable opinion of that engineer - has suffered damage since his inspection in about September 2015;
- 3.1 pay for rectification to the reasonable satisfaction of that engineer of items 1-11 and 13- 21 in his report dated about October 2015;
- 3.2 provide Mr A with a loan car (of a category of its choice) until that engineer confirms his reasonable satisfaction with the work;
4. pay Mr A £450 for trouble and upset (the total of its cheques for £200 and £250 if he isn't able to cash those cheques).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 10 March 2016.

Christopher Gilbert
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