

## **complaint**

Mr H complains that Skyfire Insurance Company Limited mishandled his claim on a motor insurance policy.

## **background**

After an accident, Mr H complained that his insurer delayed inspecting his car, then wrote it off and mishandled the payment for it. His insurer offered an apology for the delay and £100 compensation.

The adjudicator didn't recommend that the complaint should be upheld. He thought that the insurer's offer was fair and reasonable.

Mr H disagrees with the adjudicator's opinion. He says, in summary, that he had to fund another vehicle due to his insurer's delays.

## **my findings**

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

Skyfire was the underwriter responsible for dealing with claims. Where I refer to Skyfire I include any other parties for whose actions I hold it responsible.

From the policy documents, I see that Mr H was the policyholder and his wife was a named driver.

He was paying his annual premium by instalments of about £24 per month.

Mr H's policy was like many policies.

His policy had both a voluntary excess and an additional excess (in his case totalling £450).

The policy allowed the insurer – after an accident - to decide whether to repair the vehicle or whether to pay its pre-accident market value.

The policy provided a loan car only if and when the insured vehicle was in for repair.

And the policy provided that if the insurer decided the car wasn't repairable, then the premium was due in full with no refund for the rest of the year. I don't think this is unfair where the policyholder (or a third party) has made a claim on the policy.

Mr H's vehicle was a sports car, about ten years old and with about 100,000 miles on the clock.

All claims take time. But Skyfire ought to have made arrangements with Mr H to inspect the damaged car much sooner than it did. From the inspection report, I find that this was about six weeks after the accident.

In the meantime, Mr H's car remained damaged in the nearside rear. And Skyfire didn't provide a temporary replacement vehicle.

I think that, if Skyfire had inspected it sooner, it would have decided sooner not to repair it. So Mr H wouldn't have had a loan car.

Mr H has said:

*"my family were driving a car that was not safe for two months due to these delays"*

From what he's said, I think that Mr H or members of his family were able to drive the damaged car until the MOT expired. I think Mr H had a responsibility to decide whether this was safe.

He has also said:

*"The mot expired then and it could not be used as the garage would not issue an new mot as it was accident damaged... I then had to find another car. It has no consequence that I owned another car. The fact remains that I had to fund a car for the family use. We live in a rural area..."*

I accept Mr H's statements that he spent money on MOT and tax for his other vehicle (a sports utility), which he had been trying to sell. But it was only about three years old. And he has said he'd found a buyer for it. So I'm not persuaded that Skyfire's delay was the reason he kept it – with tax and MOT.

I think Mr H put the newer sports utility vehicle on the policy in place of the older sports car. And he incurred some extra charges. I don't think this was unfair, bearing in mind the terms of the policy.

There was further delay of a couple of weeks before he received money to put towards a replacement vehicle.

I've thought about whether it would be fair to order Skyfire to pay Mr H compensation for loss of use of his damaged vehicle for any part of the period before it settled his claim.

But I think he did have the use of the damaged vehicle for about two months after the accident. And – unlike Mr H – I think it's relevant that he also already had access to another vehicle. I also keep in mind that there were only about two or three weeks between the time when he could no longer use the damaged car and the time when Skyfire settled his claim.

So I don't think it would be fair to order Skyfire to pay compensation for loss of use.

When it paid his claim, Skyfire deducted the policy excesses and the unpaid balance of the year's premium (and extra charges). His sports car was treated as a total loss. And Skyfire had to deal with an injury claim from the motorcyclist. So I think these deductions were fair and in line with the policy terms.

The insurer wasn't then entitled to ongoing monthly instalments as well and I think it took direct debit payments by mistake. It wrongly told us that it made a refund in November. It now says it was February. I don't condone such mistakes.

But I keep in mind its apology and offer of £100. Overall I don't think it would be fair and reasonable to order Skyfire to make any further redress to Mr H in response to this complaint.

**my final decision**

For the reasons I've explained, my final decision is that I don't uphold this complaint. I make no order against Skyfire Insurance Company Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 May 2016.

Christopher Gilbert  
**ombudsman**