

The complaint

Miss H complains about Aioi Nissay Dowa Insurance UK Limited's ("Aioi") handling of her claim under her car insurance policy. She also complains about the price quoted by them to insure her new car.

What happened

The background to this complaint is well known to both parties so I won't go into too much detail. But, to summarise, Miss H made a claim to Aioi following an accident. Miss H became concerned about Aioi's handling of her claim, so she complained. Aioi responded and partially upheld the complaint. They accepted the handling of the claim could've been better. Aioi said their records showed Miss H had contacted them on a number of occasions to seek answers, but they didn't provide these. They also accepted there had been a lack of communication around Miss H's car being written off when she was led to believe her car would be going into a garage for assessment. They also accepted Miss H had spent time contacting their claims department about the total loss payment. Aioi accepted the payment took longer than it should've to reach Miss H's account. In relation to the box installation appointment, Aioi said a system issue led to the appointment not being allocated so they accepted they'd made an error. In relation to the premium for Miss H's new car, Aioi said they hadn't made any error in calculating the price. In relation to the issues they upheld, as well as apologising, Aioi offered £100 compensation.

Our investigator looked into things for Miss H. He agreed Aioi had made errors and thought the £100 offered was reasonable. Miss H disagreed so the matter has come to me for a decision.

What I've decided – and why

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

Having done so, I've decided Aioi's offer is a fair way to resolve matters. I understand Miss H will be disappointed by this but I'll explain why I have made this decision.

Claim related concerns

My role requires me to say how a complaint should be settled quickly and with minimal formality and so I'll focus on what I consider to be the crux of the complaint and the main areas of dispute.

The key facts about this part of the complaint aren't in dispute. Aioi accept they got things wrong and have set out these areas in their complaint response. For this part of the complaint, the only issue I have to decide is whether their offer of £100 is fair and reasonable in the circumstances.

I think it's right that Aioi should compensate Miss H for the worry, frustration and inconvenience caused. To help decide what a fair and reasonable level of compensation should be, I've looked at the errors by Aioi and the impact it has had.

I've listened to all call recordings between Miss H and Aioi. When the incident is first reported, Aioi explain they'll arrange for their agent to collect Miss H's car within two working days and they'll then take the car to a garage for repairs. There's a discussion about the process should the car be declared a write off, and Aioi explain, if that's the case, they would let Miss H know immediately. Miss H's sister calls Aioi just under a week later to complain as the car hadn't yet been collected and also about call waiting times when trying to phone Aioi's agent to find out what was happening. Aioi then call Miss H on 13 December 2022 and confirm her car has been written off. It's clear this was frustrating for Miss H as it doesn't appear she was informed about this immediately and was inconvenienced in having to make calls to chase progress. Aioi call Miss H on 14 December and arrange for the total loss payment to be made to Miss H. The call handler takes Miss H's account details and explains she'll arrange the payment now.

The payment isn't received so Miss H chases on 20 December. The call handler explains the payment was issued on 14 December, but it would take five working days to arrive in Miss H's account – so Miss H should get it the following day. During a further call with Miss H's father, the call handler explains due to a system error the payment hadn't been issued, so they would have to raise it again. There's also a discussion about sending the payment through faster payment with the call handler explaining they'd spoken with a manager who said it couldn't be sent the same day. Miss H's father calls again on 21 December to chase payment. The call handler confirms the payment has been processed and Miss H's father says it's not reasonable to wait another five working days and wants payment to be made the same day. The call handler explains they can't issue a same day payment. Miss H's father is then transferred to a manager who explains their finance team are confident the payment should be received into Miss H's account the following day. The manager explains they can make a faster payment but it's not their preferred option. The manager explains they can cancel the payment which has been put through and make a faster payment instead, and Miss H's father agrees to wait until the following day for the payment. It's clear there was conflicting information given about the faster payment, so I understand why Miss H is frustrated about this.

Aioi call Miss H the following day to check if the payment has been received and she confirms it hasn't. The call handler explains they'll make some enquiries and will call Miss H back. There's a further call where Miss H's father explains the payment still hasn't been received. He explains he was offered a same day payment on 21 December but gave Aioi the benefit of the doubt as he was reassured by them that the payment would be received the following day. The call handler apologises for the previous call handler informing Miss H's father the payment would be received by 22 December as it's looking likely it will be received on 23 December. Miss H's father then asks for a same day payment to be issued now. The call handler explains the payment has left Aioi's account so they can't now cancel it and issue a faster payment. The call handler explains it should've been explained during the call on 21 December that the payment could take two days. Miss H's father explains, had this been explained to him, then he would've chosen the faster payment option. Miss H's father then asks for a return call the following day for Aioi to check if the payment has been received. Aioi then call back the following day and Miss H's father confirms the payment has been received.

Taking this all into account, I can see Miss H was left worried, frustrated and inconvenienced by Aioi's errors. It's clear Miss H was frustrated when Aioi's agent didn't collect her car, and she was inconvenienced in having to chase to find out what was happening. There's also further frustration caused when Aioi don't appear to have immediately informed Miss H about her car being declared a total loss. In relation to the total loss payment, while no timeframe is agreed during the call on 14 December, given what the call handler says, I don't think it's unreasonable for Miss H to have believed the payment would be made immediately.

What then follows is Miss H being inconvenienced by her, and members of her family, having to chase for just over a week. During this time they're given conflicting information about when the payment would be received and about a faster payment – as well as having to wait to speak to call handlers. Overall, while the payment was received just over two weeks after Miss H reported the claim, the errors I've identified did cause Miss H to worry as she was given reassurances about when the payment would be received, which weren't then met. And, also, by not providing Miss H with accurate information about the likely payment dates, this prevented Miss H from making an informed decision on whether to choose the faster payment option. There's then a further issue when Aioi's agent didn't attend the box installation appointment on the scheduled date.

I have noted Miss H's and her father's comments about the impact the errors have had. While I can see this has been a stressful time for Miss H and her family, I think it's important to make clear, our service is only able to award compensation for the impact of Aioi's service on Miss H. I note Miss H's father refers to Miss H's sister having to spend hours chasing up Aioi and their agents for updates. I am sorry to hear about the inconvenience this caused, but I can't factor this into my assessment of compensation – although I have taken into account any corresponding affect this had on Miss H as a result of not getting any updates. So, while I acknowledge the impact on Miss H, I think it has been limited in duration and I've seen no evidence of any ongoing issues or wider impact of the errors. So, looking at the impact the errors have had on Miss H, I think the £100 offered is fair and reasonable in the circumstances.

I note Miss H's father raises a point about her having to take taxis to travel to and from work, because Aioi didn't provide a courtesy car. I can see Miss H's policy does provide cover for a courtesy car, but I can't see this has been specifically raised as a complaint to Aioi, or evidence of them having had an opportunity to address this. So, Miss H will need to raise this with Aioi in the first instance before our service is able to consider this.

Pricing concern

The role of this service when looking at complaints about insurance pricing isn't to tell a business what they should charge or to determine a price for the insurance they offer. This is a commercial judgement and for them to decide. But we can look to see whether we agree a consumer has been treated fairly – so is there anything which demonstrates they've been treated differently or less favourably. If we think someone has been treated unfairly, we can set out what we think is right to address this unfairness.

I can see Miss H's original premium was £1,340.25, and then following a change of car, this generated an additional premium of £890.80. I can see £90 of this is for a mid-term change of car. This leaves £800.80 for the additional price charged for cover for the new car. So, I understand why Miss H is concerned about the price increase. Aioi have provided me with confidential business sensitive information to explain how Miss H's price increase was calculated. I'm afraid I can't share this with her because it's commercially sensitive, but I've checked it carefully. And, I'm satisfied the price she has been charged has been calculated correctly and fairly and I've seen no evidence that other Aioi customers in Miss H's position will have been charged a lower premium.

Aioi have provided details of their rating factors and loading tables. This shows the change of car led to a change in 16 rating factors and I've seen the specific loadings which were applied for Miss H's previous car and her new car. I've compared the loadings, and this shows the price for Miss H's new car's insurance has been calculated correctly, and there's no evidence Aioi have made a mistake here. I can see Miss H's father points out the claim shouldn't have impacted the price of the policy. I note Aioi say any claims which occur during the policy term won't be taken into account in a mid-term adjustment. I wish to reassure

Miss H that I've carefully reviewed the rating factors and loadings, and the price hasn't been affected by the claim when calculating this mid-term adjustment.

Complaints handling

I note Miss H has concerns about Aioi's complaints handling – she says they took too long to address her complaint. I can see Aioi did respond on 6 February 2023 – which is within eight weeks of Miss H raising all of her complaints.

I would also add, complaint handling isn't a regulated or other covered activity. So as a general rule, and in line with the law, if the complaint is solely about complaint handling, we wouldn't be able to look into things. Where complaint handling forms a part of a customer's complaint, then we can take into account complaint handling when looking at the overall customer experience. In this case, I can't say the issues which Miss H raises about the complaints handling are an extension of the issues which relate to regulated activities, so I can't look into the complaint handling part of the complaint.

I understand why Miss H has complained, and I hope she feels reassured that I've checked the pricing information from Aioi. But I can't say they've made a mistake or treated Miss H unfairly. I also acknowledge the impact Aioi's errors have had on Miss H, and I've set out why I think the offer made is reasonable. I wish to reassure Miss H I've read and considered everything she has sent in, but if I haven't mentioned a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is a reflection of the informal nature of our service.

My final decision

Aioi Nissay Dowa Insurance UK Limited have already made an offer to pay £100 compensation to settle the complaint, and I think this offer is fair in all the circumstances.

So my decision is that Aioi Nissay Dowa Insurance UK Limited should pay £100 to Miss H, if they haven't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 18 September 2023.

Paviter Dhaddy
Ombudsman