

The complaint

Ms W complains that One Insurance Limited (“One Insurance”) mishandled her claim on a motor insurance policy.

What happened

The subject matter of the claim and the complaint is a car, made by a premium-brand car-maker and first registered in 2018.

Ms W acquired the car in June 2022 (according to the policy schedule).

For the year from late July 2022, Ms W had the car insured through a broker. She had a comprehensive policy with One Insurance.

Ms W had two keys for the car.

On about 7 December 2022, Ms W was abroad, starting a holiday of about five weeks. She reported that someone had broken into her home, taken one of the keys for the car and stolen it. (There was also a theft of another car insured through the same broker but not with One Insurance).

Much of the complaint is about acts or omissions by One Insurance’s claims-handlers and repairer. Insofar as I hold One Insurance responsible for such acts or omissions, I may refer to them as acts or omissions of One Insurance.

By mid-December 2022, Ms W told One Insurance that police had found the car with false numberplates and taken it to a pound.

On about 22 December 2022, One Insurance accepted the claim and Ms W paid the excess.

On about 28 December 2022, One Insurance’s repairer collected the car.

By mid-January 2023, Ms W was back home. In a live chat, she asked for a courtesy car to use for work. One Insurance said none was available and Ms W complained about delay and poor communication.

From about 20 January 2023, One Insurance provided a courtesy car.

By a letter dated 8 February 2023, Ms W said that the repairer was waiting for a replacement locking mechanism. She complained to One Insurance including about the following points:

- poor handling of her call to report the loss;
- poor handling of her claim;
- poor communication;
- delay in contacting the police;

- delay in ordering a replacement locking mechanism;
- poor handling of the live chat in mid-January 2023;
- incorrectly having told DVLA that it had written off her car.

On 17 March 2023, Ms W told One Insurance that the repairer had returned the car that day, but she said that it had only provided her with one key.

By a final response dated late March 2023, One Insurance apologised for its service and said it was crediting Ms W with £150.00.

Ms W wrote a reply to the final response. She included that she had ordered a second key from a dealership of the car-maker at a cost of £254.88. She also included that on 27 March 2023, she had paid DVLA £25.00 for a new registration document V5.

Ms W brought her complaint to us in late April 2023.

Ms W told us that the dealership had re-programmed the second key for her in mid-May 2023.

our investigator's opinion

Our investigator recommended that the complaint should be upheld. He thought that there had been delays, that communication had been lacking and that the car had been written off in error. He said this had caused considerable distress.

He recommended that One Insurance should:

1. award an additional £150.00 to cover this; and
2. provide the required additional key.

my provisional decision

After considering all the evidence, I issued a provisional decision on this complaint to Ms W and to One Insurance on 21 November 2023. I summarise my findings:

I was minded to find it fair and reasonable to hold One Insurance responsible for Ms W's need to contact DVLA and One Insurance in late January 2023 – and for the later consequence of the £25.00 cost of a replacement V5. So I was minded to direct One Insurance to pay Ms W that amount, plus interest at our usual rate.

Ms W had said that she'd ordered a key at a cost of £254.88 and later received it. I expected Ms W to provide the invoice or other evidence of payment. However, I was minded to direct One Insurance to pay Ms W that amount, plus interest at our usual rate.

For Ms W's level of distress and inconvenience, the investigator recommended £300.00. She didn't disagree and I was satisfied that this is in line with our published guidelines for such compensation.

Subject to any further information either from Ms W or from One Insurance, my provisional decision was that I upheld this complaint. I intended to direct One Insurance Limited to pay Ms W:

1. £25.00 in reimbursement of her payment to DVLA for a replacement V5; and
2. £254.88 in reimbursement of her payment for the second key; and
3. simple interest at a yearly rate of 8% on each of those two amounts from the date of Ms W's payment to the date of its reimbursement. If One Insurance considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Ms W how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate; and
4. £300.00 for distress and inconvenience.

Ms W accepted the provisional decision.

One Insurance hasn't responded to the provisional decision.

I see no reason to change my view.

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.

The theft and the need to make a claim were, in my view, bound to cause Ms W some upset and inconvenience. I accept that One Insurance acted reasonably in investigating the circumstances before validating the claim.

Also, I accept that One Insurance acted reasonably in treating the theft initially as a total loss. From what it has said, I find it likely that One Insurance reported the theft claim to the motor insurance database.

However, I find that One Insurance didn't respond efficiently to the important development that police had recovered the car. From what it has said, I find it likely that One Insurance failed to update the database.

Also I find that One Insurance mishandled Ms W's original V5. And I find it likely that DVLA had access to the database.

So I find it fair and reasonable to hold One Insurance responsible for Ms W's need to contact DVLA and One Insurance in late January 2023 – and for the later consequence of the £25.00 cost of a replacement V5. So I will direct One Insurance to pay Ms W that amount, plus interest at our usual rate.

I accept Ms W's complaint that One Insurance was responsible for poor communication and service to her.

Also, One Insurance failed to communicate to its repairer that it would cover replacement of the locking mechanism and keys of a car that had been stolen and recovered. I consider that this caused delay.

And One Insurance didn't deal efficiently with Ms W's request for a courtesy car.

On 17 March 2023, One Insurance confirmed to Ms W that it would provide a second key. In my view, One Insurance had the opportunity to respond to Ms W's complaint in late March 2023 that it hadn't done so.

Our investigator recommended that One Insurance should provide the additional key. However, Ms W had said that she'd ordered one at a cost of £254.88 and later received it. I accept what she has said. I will direct One Insurance to pay Ms W that amount, plus interest at our usual rate.

I've thought about the impact on Ms W of the various shortcomings in service from One Insurance. That impact lasted for several months, including while she was on holiday, trying to relax but having to spend time queueing for contact, chasing for progress and updates.

I've seen some of the live chats. I accept that there were times when One Insurance caused Ms W to be exasperated.

One Insurance offered Ms W £150.00, but it didn't otherwise try to put things right, for example with DVLA.

For Ms W's level of distress and inconvenience, the investigator recommended £300.00. She didn't disagree and I'm satisfied that this is in line with our published guidelines for such compensation.

Putting things right

In summary, I will direct One Insurance to pay Ms W:

1. £25.00 in reimbursement of her payment to DVLA for a replacement V5; and
2. £254.88 in reimbursement of her payment for the second key; and
3. simple interest at our usual rate on those two amounts from the date of Ms W's payment to the date of its reimbursement; and
4. £300.00 for distress and inconvenience.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I direct One Insurance Limited to pay Ms W:

1. £25.00 in reimbursement of her payment to DVLA for a replacement V5; and
2. £254.88 in reimbursement of her payment for the second key; and
3. simple interest at a yearly rate of 8% on each of those two amounts from the date of Ms W's payment to the date of its reimbursement. If One Insurance considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Ms W how much it's taken off. It should also give her a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate; and
4. £300.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 8 January 2024.

Christopher Gilbert
Ombudsman