

## **The complaint**

Mr F complains about the way American International Group UK Limited (AIG) handled his claim under a car hire excess insurance policy.

## **What happened**

In July 2023 Mr F took out a car hire excess insurance policy with AIG to cover him whilst driving a hired car in Spain. During the time the car was on hire to Mr F, it was damaged when he reversed into a pillar in a car park. Mr F contacted AIG to make a claim and provided all the information he thought was necessary. AIG asked him to re-send the photographs as it couldn't see them on the claim form. It also asked Mr F for more information about the amounts he'd claimed for, which it said he could get from the car hire company (company D). AIG also approached company D but they said they couldn't provide that information to AIG and said Mr F would need to contact them directly. Mr F didn't get a reply from company D but AIG settled his claim seven days after he claimed.

Mr F complained. He was upset he'd had to complete a long claim form and was then asked for further information, which he didn't think was necessary. He was then asked to provide photos he'd already submitted. AIG acknowledged Mr F had provided the photos but said they were not showing on his claim form. It apologised for that error and for having to ask him to re-send them. It also said that further information might sometimes be necessary, and it quoted part of the terms and conditions of his policy to justify that. But Mr F pointed out that the section quoted wasn't relevant to his claim and he complained that this was misleading and dishonest.

AIG accepted the claim could have been handled better. It apologised and paid Mr F £50 for the trouble and upset caused.

Our investigator didn't think there was any reason not to believe AIG when it said the photographs hadn't come through on its system, and she thought it was reasonable for it to ask for those again. She accepted AIG had referred to a clause in the terms and conditions that didn't apply and recognised that Mr F perceived that as being dishonest and had led to a loss of trust. But she thought AIG had done enough to put matters right.

Mr F didn't accept the investigator's outcome and so his complaint has been passed to me for a decision. Mr F didn't think AIG should be allowed to mislead consumers in the way it had. And he didn't think £50 was enough of a disincentive for what he described as being underhand and manipulative practices.

## **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 terms and conditions of Mr F's policy set out what he would need to provide in the event of a claim. That included photographs of the damage and any other photographic evidence that might be helpful in assessing the claim. Mr F provided photos when he made his claim.

But, for whatever reason, AIG said it couldn't see them when it came to assess it. So, it asked Mr F to re-send them. It later apologised for the system error that caused this problem and for the inconvenience caused to Mr F in having to re-send them.

AIG also asked Mr F for further information about the amount he was claiming for. In particular, it wanted confirmation that the reference to 'paralization' on the damage invoice was for loss of use of the damaged car. AIG has also pointed out that even though the costs charged to Mr F included an amount for paralization, which it assumed was for loss of use, Mr F had said there was no loss of use when he submitted his claim. So, I think it was fair for AIG to explore this matter further to make sure Mr F had been charged the correct amount by company D so it could accurately assess how much it should pay to cover his claim.

AIG tried to obtain the information from company D directly, but they said they couldn't provide information to a third party and Mr F would need to request the information himself. I can understand why Mr F might have felt frustrated that he was being asked to get information he felt was unnecessary. But in the circumstances, I don't think it was unreasonable for AIG to ask him to do that. It felt it needed that information to assess his claim and company D said it would only provide that information through Mr F.

When Mr F complained about having to provide information he believed was over and above what was necessary, AIG's complaints handler tried to justify the request for that information by citing a term in his policy that wasn't relevant to his claim. They said the claim could be declined if he was unable to supply a repair receipt or damage matrix from the car hire company. But this only applied to claims where the cost of damage equalled the excess on the rental agreement. It didn't apply to Mr F's claim. He believes AIG's actions in this respect were misleading and dishonest, and done deliberately to justify asking for information that wasn't necessary.

I recognise Mr F's strength of feeling on this matter and I can understand why he believes AIG deliberately misinformed him. When he challenged the complaints handler on this point, they acknowledged the term they quoted wasn't applicable. They said they were just trying to explain when a damage matrix or repairer's invoice might be needed. AIG's complaints handler might simply have misunderstood the situation and thought that section of the policy did apply to his claim. Or it might be they deliberately chose to cite a term they knew wasn't applicable in an attempt to deflect Mr F from pursuing the matter. Whatever the case, I can understand Mr F's frustration that he was told something that wasn't correct. It would have been better had the complaints handler simply explained why AIG had asked for the information it had.

So, while I think it was fair and reasonable for AIG to try to clarify the loss of use or paralization costs, there's no doubt it's made mistakes in its handling of Mr F's claim. And it's only fair it takes action to put things right. AIG has already taken steps to do that. It's apologised and given Mr F £50 by way of acknowledging the impact on him of its poor service. Should it do any more? On balance, I don't think it should. Let me explain why.

I should start by saying that it's not my role to fine or punish a business – that's not what this service is here to do. My role is to decide if a business has done something wrong or acted unfairly and then decide how best to compensate the consumer for the impact caused by that mistake or unfairness. Claims of this nature can be time consuming and frustrating to deal with even when they run smoothly. Having to complete lengthy claim forms and correspond with businesses to check things are on track takes time and can be difficult to deal with. So, Mr F was always likely to suffer some degree of frustration. But there's no doubt AIG made things more difficult for him than they needed to be. Mr F had to re-send the photos he'd already submitted. And he was misinformed about why AIG was asking for further information to support his claim. On balance, I think £50 is a fair and reasonable way

of acknowledging the impact caused by that poor service.

**My final decision**

American International Group UK Limited has already paid Mr F £50 to settle the complaint and I think this offer is fair in all the circumstances. I don't think it needs to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 9 January 2024.

Richard Walker  
**Ombudsman**