

The complaint

Miss L complains that Skyfire Insurance Company Limited delayed the refund of her excess in connection with a claim on her motor insurance policy.

What happened

The subject matter of the claim and the complaint was a small car, first registered in 2016. Miss L acquired the car in about 2020.

For the year from late August 2022, Miss L had the car insured on a comprehensive policy through a broker. Skyfire was the insurance company that was responsible for dealing with any claim. Any claim (except a windscreen glass claim) was subject to a policy excess of £500.00.

Unfortunately, Miss L reported that in early July 2023, an accident involving third parties had damaged the car.

Much of the complaint is about acts or omissions of claims-handlers on behalf of Skyfire. Insofar as I hold Skyfire responsible for them, I may refer to them as acts or omissions of Skyfire.

By about mid-July 2023, Skyfire said the car was a total loss.

Miss L paid or suffered the deduction of the £500.00 excess.

Skyfire contacted the third party insurers.

From about early September 2023, Miss L complained through us to Skyfire that it hadn't refunded her the £500.00 excess.

At around the same time, Miss L complained to Skyfire that it hadn't provided a courtesy car. We have dealt with that complaint separately.

By late September 2023, Skyfire had resolved the issue of liability for the accident with third party insurers.

Our investigator didn't recommend that the complaint (about the excess) should be upheld. In early December 2023, he thought that Skyfire would repay the excess to Miss L very shortly.

Miss L disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- She has anxiety disorder and is on medication for it.
- Skyfire didn't resolve this in a reasonable time frame. That caused her financial difficulties and overdraft charges.

- The quality of customer service she received was horrendous. That caused her a lot of emotional distress.
- Skyfire hung up on her, gave false information and closed complaints without resolution.

More recently, an ombudsman upheld Miss L's complaint about the lack of a courtesy car. He directed Skyfire to pay Miss L £100.00 for loss of use of a car and £200.00 for distress and inconvenience.

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.

I'm sorry to hear that Miss L is unwell.

The accident and the need to make a claim were not her fault, but were, in my view, bound to cause her upset and inconvenience. She looked to Skyfire for support. Miss L felt the need to make frequent telephone calls to Skyfire.

Miss L complained that Skyfire hadn't refunded the excess within two months of the accident. I accept that this felt like a long time to her.

However, Skyfire had to contact the third party insurers and give them some time to investigate and respond. I don't consider that Skyfire took an unreasonably long time to resolve the issue of liability.

So I don't find it fair and reasonable to direct Skyfire to compensate Miss L for the financial consequences of having to wait for the refund of the excess.

I find it likely that Miss L would've told us if she hadn't received the refund. So I find it likely that she received it in about December last year.

As regards customer service, I can't go over the same ground as my colleague who wrote the decision on the complaint about the lack of a courtesy car. And Miss L hasn't given enough detail of when Skyfire hung up on her, or gave false information, or closed complaints without resolution.

I've seen that Skyfire re-directed a complaint and closed a file "*to prevent duplication*".

However, I haven't seen enough evidence to say that Skyfire was responsible for service that fell below a satisfactory standard. So I don't find it fair and reasonable to direct Skyfire to compensate Miss L for emotional distress or inconvenience.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Skyfire Insurance Company Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 20 March 2024.

Christopher Gilbert
Ombudsman