

The complaint

Mr E complains that Society of Lloyd's hasn't settled his claim made on his motor insurance policy. He wants it to pay his claim and his storage charges.

What happened

Mr E told Lloyd's he was involved in an incident and had arranged for his car to be taken into storage. But he had given Lloyd's incorrect information about what had occurred. Mr E had been arrested at the scene of an earlier incident by the police and his car had been impounded. Lloyd's then declined his claim, but it requested the police report in order to investigate a claim for the initial incident. Mr E said he had mental health issues which had affected him at the time of the incident, and he thought Lloyd's should take this into account.

Our Investigator recommended that the complaint should be upheld in part. He thought Lloyd's had reasonable concerns about the claim and needed the police report and medical evidence to further investigate it. So he didn't think it needed to settle the claim or pay the storage charges. But he thought it had delayed the claim by not chasing the police for its report. So he thought Lloyd's should pay Mr E £200 compensation for this.

Mr E agreed. But Lloyd's said that not chasing up the police report hadn't caused any delays in the claim.

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 can see that it is now more than a year since the incident, and I can understand that Mr E wants the matter resolved. I was glad to hear that his circumstances have improved.

Lloyd's has an obligation to deal with claims promptly and fairly. I can see that when it found out the full circumstances of the incident that had damaged Mr E's car it needed evidence to validate the claim. I think that's fair and reasonable. And I don't think Lloyd's needs to settle the claim or pay any storage charges until it has investigated the claim and decided to accept it.

Aside from other investigations, Lloyd's requested a police report. And it thought it should consider evidence of Mr E's medical condition at the time of the incident. But I can't see that it has requested this. And I note that Mr E hasn't provided it to our service as he said he would.

Lloyd's requested the police report in December 2022. It queried the lack of a response in May 2023 and the police said it hadn't been able to match the payment made with a report until further prompted by Lloyd's. So Lloyd's thought the police had caused the delay and it wasn't responsible for this.

But I disagree. Another party involved in the incident had been able to obtain a police report, albeit redacted and not useful for Lloyd's. So I think that if Lloyd's had been proactive it could have prompted the police to match the payment to a report and process the report request sooner.

Lloyd's also said the delay in obtaining the police report didn't cause any delay in the claim because Mr E was unavailable for interview until the middle of April 2023. But I think Lloyd's could still have chased the police for its report in the meantime. It was pursuing other lines of inquiry. And I still think that an earlier prompt may have progressed the request.

Lloyd's said that it had later chased the police further but hadn't obtained the report to date. So it thought earlier chasers wouldn't have produced a report any sooner. But I'm not persuaded by this as the initial delay was due to the police not processing its request. This wasn't done until May 2023, five months after the payment and request. And so I think this more likely than not has caused an avoidable delay in the claim that was due to Lloyd's' error.

Mr E is keen to have the matter resolved and this delay has caused him trouble and upset. Our Investigator recommended that Lloyd's should pay Mr E £200 compensation for the trouble and upset this caused. I think that's fair and reasonable as it's in keeping with our published guidance where an error has had an impact over several months.

Putting things right

I require Society of Lloyd's to pay Mr E £200 compensation for the distress and inconvenience caused by its delay in handling his claim.

My final decision

For the reasons given above, my final decision is that I uphold this complaint in part. I require Society of Lloyd's to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 18 December 2023.

Phillip Berechree
Ombudsman