

The complaint

Ms T complains about how Royal & Sun Alliance Insurance Limited, trading as RSA (“RSA”) handled a claim she made on her Motability vehicle insurance policy.

Any reference to RSA includes its agents.

What happened

Ms T has a Motability vehicle insurance policy. This means she hires her car from Motability and it's arranged with RSA to provide a policy for each hirer which is similar to a typical comprehensive motor policy. RSA handles claims from customers like Ms T. The policy started in January 2022.

Unfortunately Ms T was involved in an accident in September 2022 which she reported to RSA. Her car was deemed a total loss but unfortunately there were delays in declaring the vehicle a write-off due to a system error. Ms T was also injured in the accident.

Ms T was provided with a hire car however there was some delay in providing this. And when it was provided it wasn't suitable for her needs.

During the course of the claim the third party denied liability for the accident so the treatment Ms T sought and paid for wouldn't be recovered from the third-party insurer.

Ms T wasn't satisfied with the service she received from RSA and so she complained.

RSA accepted the service it provided wasn't at the level it expected Ms T to receive. It said due to a system error there were delays in declaring her vehicle a total loss, since the documentation it required to process the loss wasn't received correctly. RSA accepted there were delays in providing Ms T with a hire car, and that when it was provided it wasn't appropriate for her needs. RSA explained rental vehicles are subject to availability and there were industry challenges where rental companies were unable to source alternative hire vehicles in their usual timeframe. RSA paid Ms T £500 to apologise for the distress and inconvenience caused.

Ms T wasn't happy with the response from RSA and so referred her complaint to this service. Our investigator looked into things for her. He said RSA acknowledged that things hadn't gone as well as they could and to apologise RSA awarded her £500, which he thought wasn't unreasonable. And so he didn't think RSA needed to take any further action in respect of the complaint.

Ms T didn't agree with the investigator's view and so the complaint has come to me to decide.

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 have come to the same conclusion as the investigator. I know Ms T will be disappointed with my decision. I've explained the reasons below.

To be clear I am only looking at the complaint points brought to us by Ms T in December 2022. I am aware further complaints have been raised but my decision doesn't consider those.

We are not the regulator; this service doesn't have powers to tell an insurer to change its processes or how it conducts its business. My role is to look at whether the insurer acted fairly and reasonably, and within the terms of the policy.

There is a lot of information about the claim Ms T made, and I've looked through everything provided. The detail is well-known to both Ms T and RSA so I haven't described the claim in any great detail here. I'll comment on any relevant evidence where appropriate to explain my decision.

I'm sorry to disappoint Ms T but I'm not upholding her complaint. I am in no doubt the impact of the accident together with the subsequent claim feels hard to Ms T. She has been through a difficult time with her health and further suffered as a result of the accident, and I empathise with the difficulties she has clearly faced.

RSA's policy and process

Like most motor insurance policies, Ms T's provides loss and damage protection for motor vehicles. The policy documents form part of the insurance contract and set out what is and isn't covered. So my starting point is the policy which sets out a list of circumstances covered under the section headed 'Section 2 – Loss and damage.' The policy says it covers, *"loss of or damage to the vehicle, the vehicle's in-car equipment, the vehicle's windscreen windows and glass sunroof."* I haven't seen anything which suggests injuries resulting from accidents are covered under the terms of the policy.

Having reviewed the policy documents I can see it says, *"RSA will pay the amount shown as Personal Accident in the Policy Schedule if the Insured person is accidentally injured in the British Isles or the Republic of Ireland: in the vehicle or an alternative vehicle, while getting into or out of the vehicle or an alternative vehicle. The injury must be directly connected with the vehicle...and the only cause within three months of: death, permanent loss of sight in one or both eyes, loss of one or more limbs at or above the wrist or ankle, permanent loss of use of one or more limbs."* So if an accident happens which causes death, loss of limbs and/or permanent loss of sight in one or both eyes, the policy provides cover for up to £5,000 per person, for the driver and any passengers. And so Ms T's claim for her personal injury and medical expenses is not covered by the policy.

I know Ms T says she wants RSA to pay her £1200 in expenses for treatment she has had as a result of the accident. But this isn't something that she is entitled to under the terms of the policy and so I don't think I can fairly ask RSA to cover this cost.

RSA's system issues

RSA experienced some system issues which contributed to the delays in processing the total loss of Ms T's vehicle, and in arranging the hire car. RSA accepted the system issues it experienced caused Ms T difficulties. RSA paid Ms T £500 by way of an apology. I think this is fair in the circumstances and in line with what I would have recommended. So it's not my intention to consider this point any further here.

Policy not suitable for Ms T's requirements

Ms T has said she wants RSA to accept some accountability for how the insurance policy is sold to consumers. RSA explained how each customer is provided with a cover booklet which details what is and isn't included in the policy. Ms T says she didn't receive this and so the investigator provided her with a copy. I appreciate Ms T may not remember receiving the documents. Memories can and do fade, but I've seen the letter showing the documents were sent to Ms T so, on balance, I'm satisfied she did receive them.

The policy is not sold to customers directly, it forms part of a package under the Motability scheme. So any complaints about what Ms T was told at the time she signed up to the scheme needs to be taken up with the scheme provider.

On review of the information provided to me by both parties I think RSA has done enough to try and resolve this matter. RSA didn't manage Ms T's expectations well since she was under the impression her medical and other expenses flowing from the accident would be paid in full. However her insurance policy isn't intended to cover medical expenses and she is only able to recover this if liability for the accident is accepted by the third party. And that hasn't happened here.

Compensation

I appreciate that RSA's management of Ms T's claim didn't reach the standard she expected. And I acknowledge that she could have expected better treatment as a Motability customer. But I am of the view that £500 compensation that I referred to above is fair and reasonable in the circumstances of her complaint. And I can assure Ms T that I have considered her complaint carefully taking all the circumstances into account.

I know Ms T will be disappointed with my decision. RSA has accepted the service fell below what would be expected and awarded Ms T £500 to reflect this. I think this is reasonable in the circumstances and in line with what I would have suggested had an offer not already been made. And this means I'm not asking RSA to do any more.

My final decision

Royal & Sun Alliance Insurance Limited, trading as RSA has awarded Ms T £500 to settle the complaint and I think this is fair in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 17 August 2023.

Kiran Clair
Ombudsman