

The complaint

Mr M's representative complains on his behalf that Premier Insurance Company Limited (Premier) handled a claim on his motor insurance policy with avoidable delays and without keeping him updated.

References to Mr M or his representative will include the other.

There are several parties and representatives of Premier involved throughout the claim but for the purposes of this complaint I'm only going to refer to Premier.

What happened

In August 2019 Mr M was involved in a collision with a police vehicle. As Mr M turned out of a side street and on to a main road he collided with a police vehicle, which was travelling at high speed. Mr M believes the police were at fault.

Mr M decided to make a claim on his motor insurance policy and the claim was accepted and settled by Premier.

Premier requested the police dash camera footage. Despite multiple requests the police did not send it.

Premier decided it would pursue the police for liability. However in late 2021 it decided to discontinue the recovery process with the police and changed its decision on liability to fault against Mr M.

Mr M's representative wants the decision overturned as she feels the police are deliberately not providing the dash camera evidence as it will confirm the accident was their fault. And she feels Premier should continue to try and obtain it. She wants Premier to obtain the dash camera footage from the police, examine it and decide how the claim is to be resolved and resolve it.

Mr M's representative is also unhappy with the lack of communication from Premier to Mr M over more than two years since the accident in 2019. She said as he had an open claim since the accident in 2019 it is impacting him and the cost of his motor insurance premiums.

As Mr M and his representative were not happy with Premier they brought the complaint to our service.

Our investigator upheld the complaint. She looked into the case and said there were avoidable delays in the case and Premier should award £200 compensation to Mr M for the inconvenience caused. She did not uphold the complaint about the liability for fault and said she agreed with Premier that it would be difficult to defend.

As Premier are unhappy with our investigator's view to award compensation the complaint has been brought to me for a final decision to be made.

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.

Our role is to consider whether the insurer handled the claim in a fair and reasonable manner. It isn't to decide who was at fault for the accident.

We're likely to consider a decision reasonable if:

- it was in line with the terms and conditions of the policy
- the decision took into account all the available evidence
- the decision doesn't appear unsound or contrary to the evidence
- it follows the standard legal principles

Most motor insurance policies contain a term which allows the insurer to handle the claim how it sees fit. This essentially gives the insurer a contractual right to settle a claim how it chooses. It doesn't need the agreement or consent of the policyholder.

The ultimate decision, even if cost related, still has to be based on facts and evidence.

In this case I have seen Premier looked at the following evidence when considering this claim

- Statements from Mr M and Mrs M
- Statement from an independent witness
- Photograph of the incident
- A police report

I have also seen evidence that Premier requested the police vehicle video footage a number of times without success.

I am satisfied Premier considered all the evidence available to it and made effort to obtain video footage from the police.

Premier settled Mr M's claim. It also initially agreed Mr M was not at fault and pursued the police for liability. During this time Premier recorded the claim as open on Mr M's record.

In August 2021 Premier sent this case to its solicitors to start legal proceedings against the police. Premier sent a letter to update Mr M and said it was confident there were reasonable prospects for making a recovery.

Later in 2021 a different Premier representative reviewed the case and made the decision not to pursue the police for liability. Premier said that based on the evidence on file, it had a less than 50% chance of success should the case go to trial and so decided to stop the legal process and will not be taking any action against the police in this case.

Premier said it had changed its mind not because it had new evidence but because it felt the original decision was overly optimistic. It said *"two people can legitimately take a different view of the litigation risk involved in pursuing legal redress"*. It confirmed that the second Premier representative had overall responsibility and having reviewed the evidence took a different view and Premier discontinued its efforts to pursue the police.

The claim has now been recorded as a fault claim on Mr M's record. Premier said it understands this has a bearing on Mr M in terms of no claims discount. However he is in no worse a position than he would have been had Premier taken the same decision from the outset of this claim.

Although I understand Mr M will be disappointed, I think this is a reasonable decision in this case.

Delays

Mr M's representative said there was a lack of communication from Premier during the two years since the accident in 2019. She said an open claim had been recorded on Mr M's record during this time which impacted his motor insurance premiums.

Premier say there have been no delays as it had no obligation to the insured at all to pursue the matter against the police.

I accept that Premier were under no obligation to pursue the police, however during this claim it did decide to do this and told Mr M it was confident there were reasonable prospects. That Premier changed its decision to pursue the police after more than two years will no doubt have come as a surprise and disappointment to Mr M.

Mr M received no contact from Premier to explain this change in decision or to inform him the claim would be recorded as a fault claim on his motor insurance record.

I think that Premier could have made its decision to stop pursuing the police for liability much sooner than it did. There were periods of time where there is no evidence of activity from Premier in pursuing this case. I think this matter could have been brought to the same conclusion for Mr M at a much earlier date. In addition I think Premier should have given updates to Mr M as decisions were being made.

Therefore, I uphold Mr M's complaint and require Premier to pay £200 compensation for the length of time it has taken to decide the liability fault for this claim.

My final decision

For the reasons I have given I uphold this complaint.

I require Premier Insurance Company Limited to pay Mr M £200 compensation for the avoidable delays in closing this claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 May 2022.

Sally-Ann Harding
Ombudsman