

The complaint

Miss D complains that Aioi Nissay Dowa Insurance Company of Europe SE provided her with poor service after she made a claim on her motor insurance policy. Miss D is represented by her mother, Mrs D

What happened

Miss D had an accident in January 2020. The police attended the scene and advised Miss D to ask her insurer to get a police collision report. The police said it would show that the other driver was fully at fault for the accident. Mrs D says Aioi didn't ask for a police report until April 2020 and then didn't chase it up. The police later told her that Aioi had only applied for a basic '*limited particulars*' report, for £35. The police also said they couldn't trace a payment from Aioi and that Aioi hadn't replied to its query about that. Mrs D says as Aioi didn't address the issue of the police collision report for many months, it delayed the claim's progress unnecessarily.

The other driver's insurer ('insurer C') didn't co-operate with Aioi initially, so it instructed solicitors in May 2020. Insurer C then claimed to have reimbursed Aioi for its outlay. AIOI says it couldn't find the payment and says it chased insurer C for it from June to September 2020. But when Mrs D contacted insurer C in October 2020, she found it was disputing liability and had told Aioi in error that it had paid its costs. At that point, Aioi instructed solicitors again, but Mrs D says it should have acted more quickly to move matters on.

Mrs D says she and Miss D weren't given updates by Aioi and that emails from them were ignored. AIOI accepted that two emails from them weren't answered in December 2020 and that a promised review didn't take place. It apologised and offered Miss D compensation of £75. Mrs D also complained about the service provided by the solicitors, but Aioi advised her to contact them directly about that. Mrs D said that as a result of all the delays, Miss D had to renew her policy with an open 'fault' claim on it, which led to a rise in her premium.

One of our investigators reviewed Miss D's complaint. He thought there was evidence that Aioi had requested a police report – and that there was nothing to show that the payment for it not being located was Aioi's fault. He thought Aioi had no reason to think insurer C had made an error in telling it about its reimbursement of Aioi's losses – and that there was some evidence that Aioi had chased insurer C from June to September 2020 about that payment. As it then instructed solicitors, he thought it had acted fairly. The investigator noted that Aioi had offered Miss D compensation for poor service, which he thought was reasonable.

As there was no agreement, the complaint was passed to me for review. I issued a provisional decision, upholding the complaint, as follows:

As Aioi hasn't provided any information to us, despite several requests, I can only base my decision on the details Mrs D has provided on Miss D's behalf. That includes some correspondence from Aioi, from insurer C and from the police. In the absence of direct evidence, my findings are based on what I think is more likely than not to have happened.

Police report

I think it's likely that Miss D told Aioi that the police had advised paying for a collision report (which included witness statements taken by them at the time) as in their view it would help to establish liability. I have no reason to doubt that when Mrs D contacted the police, they told her that Aioi had only applied for a limited particulars report. If that's correct, I can't see how it would have helped to establish liability, so it would only have been a starting point. But it seems Aioi didn't even chase the basic police report it had applied for.

In an email to Mrs D in February 2021, Aioi said that police reports take a long time to arrive and that it wouldn't be sent to Aioi until the police had completed their enquiries. There was no suggestion that Aioi had chased the report. Aioi said in its final response letter that it had made a further payment to the police in April 2020, having requested the police report (presumably with a fee) before 5 March 2020. But that doesn't tally with what the police told Mrs D, and in the absence of Aioi's business file, I don't know if it's correct or not. If it is, it seems the report still wasn't chased by Aioi (after its second payment) when it was clear how vital a full police report would be in terms of establishing liability promptly.

In February 2021 the police asked Miss D to give Aioi a named contact and a direct line number so the issue could be sorted out. I think it's more likely than not that she or Mrs D made Aioi aware of the details straight away. Mrs D says Aioi told her at the time that it couldn't say when it would next contact the police. In the end it seems AIOI's solicitors paid for the police's collision report in July 2021 - 18 months after the accident.

Insurer C

I think insurer C was partly responsible for the delay in progressing Miss D's claim, as it failed to co-operate from the outset and then misled Aioi about having reimbursed its outlay. I think Aioi has shown that it made some effort to chase insurer C about its alleged payment, as Aioi has given specific details about a call it made. It says it made other calls and sent emails to insurer C, but as I haven't seen the file, I can't be sure of the extent of its attempted contact. What's certain is that Aioi made no progress with insurer C on this issue for more than four months.

The delay led Mrs D to contact insurer C herself. She says she had no problem in doing that. Mrs D may have been very fortunate in being able to speak to one of insurer C's advisors the first time she called it. But I think the matter may well have drifted on without Mrs D's input. It isn't clear why Aioi only instructed solicitors to move matters on after her intervention, given that insurer C hadn't co-operated from the start and was yet again preventing any progress with the claim.

Poor contact

AIOI says it only contacts consumers if there's a significant development in a case. I think that's reasonable, as long as consumers are told that's what's going to happen. But I think there's a big difference between that stated policy and not responding to emails sent by consumers asking for an update or for a response to a specific question. AIOI has only compensated Miss D for not replying to two emails and not carrying out a review. As I haven't seen the business file, I can't be sure how many emails and calls from Miss D or Mrs D weren't replied to. But from what Mrs D has said, I think it's more likely than not that over the period in question, it was more than two.

In summary

Based on the information I've seen, I think Aioi dealt with the claim well initially. Miss D was paid for her written-off car by 11 February 2020. But I think it's more likely than not that her claim would have been finalised much more quickly had Aioi done more to ensure it had a copy of the police collision report early on in the process. I also think it could have done more to encourage insurer C to respond to its query about the reimbursement of its costs. I don't think Miss D (or Mrs D on her behalf) should have had to chase Aioi, the police or insurer C at all. So in my opinion, Aioi's claims handling and communication was lacking.

Given the circumstances of the accident and the apparent behaviour of the other driver, I can see why Miss D (a very young driver) was so distressed following it. As far as I can see, it seems she wasn't at fault, so she just wanted to put it all behind her. I think that should have been possible fairly quickly, but the claim was allowed to drag on unnecessarily. That meant Miss D (and Mrs D) were caused unnecessary worry, frustration and inconvenience.

AIOI told Miss D it would adjust her premium once liability was settled, which is what we'd expect an insurer to do. But I don't think the £75 compensation it has paid Miss D is enough. I think it would be reasonable for it to pay her a further £150 for distress and inconvenience.

I asked the parties to comment on my provisional findings. Mrs D accepted them on behalf of Miss D. Aioi didn't respond, despite reminders.

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.

As neither party made any comment on my provisional findings, I see no reason to depart from them. I think it would be fair and reasonable for Aioi to pay Miss D a further £150 compensation (£225 in total).

My final decision

My final decision is that Aioi Nissay Dowa Insurance Company of Europe SE should pay Miss D a further £150 for distress and inconvenience. Under the Financial Ombudsman Service's rules I must ask Miss D to accept or reject my decision before 22 June 2022.

Susan Ewins
Ombudsman