

The complaint

Mr A complains Wakam unfairly recorded a motor insurance claim against him and increased his monthly premiums.

Wakam's been represented by agents for the claim and complaint. For simplicity I've referred to actions of agents as being Wakam's own. Mr A's been represented for the complaint. For the same reasons I've referred to the representative's actions as being his own.

What happened

Mr A is a taxi driver. He had a Wakam commercial motor insurance policy with Wakam. It renewed monthly. His monthly premium was increased in the Spring of 2023. Wakam explained this was due to a claim being made against him by a third party. Mr A denied being involved in the reported incident.

Mr A came to the Financial Ombudsman Service. He says he wasn't involved in the incident. He said despite advising Wakam of that it still unfairly increased his premiums. He says he was only made aware of the claim when enquiring about the increase in his premiums. He also says Wakam failed to provide him with any details of the incident despite his requests.

To resolve his complaint he would like Wakam to refund around £600 in additional premiums he feels he's been unfairly charged because of the claim record. He would also like to be compensated for the distress and inconvenience he's experienced as a result.

Our Investigator was satisfied Wakam had received a claim. She felt it had registered, investigated and closed it fairly and reasonably. She said as Mr A hadn't co-operated she was unable to say it should have been closed sooner. She found Wakam had restored his NCD in reasonable time after the closure. She didn't agree Wakam had caused Mr A a financial loss. So she didn't recommend it take any further action. As Mr A didn't accept that outcome the complaint was passed 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.

As this is an informal service I'm not going to respond here to every point or piece of evidence Mr A and Wakam have provided. Instead I've focused on those I consider to be key or central to the issue. But I would like to reassure both that I have considered everything submitted.

Mr A's policy terms allow Wakam to take over and conduct, in his name, the defence or settlement of any claim. The policy allows it full control of proceedings and to progress them however it thinks best. That means it might take an action or a decision Mr A disagrees with, but the policy allows it to do so. I can consider if Wakam acted fairly and reasonably when doing so.

I'm satisfied from the evidence that Wakam received a claim against Mr A's policy from a third-party. Considering the evidence provided its decision to open and investigate a claim was reasonable. That included a photo of Mr A's registration plate. In addition there was a photo of a journey record from a taxi application. It appears to show Mr A as the driver for the journey.

In addition I'm satisfied Wakam took appropriate steps to inform Mr A of the claim. It says it left him voicemails and then sent him emails. I've seen emails it sent him within five days of its receipt of the claim. These request his cooperation. Mr A responded to at least one of them to deny involvement in the incident. So I'm satisfied he was made aware of the claim within reasonable time.

The claim was open for around six months. Wakam eventually closed it after the third-party had failed to provide adequate supporting evidence. The claim was closed with a record of £0 cost. The record seems fair to me.

I appreciate the open claim record affected Mr A's premiums. But I can't say Wakam was responsible for it being open for longer than necessary. As far as I've seen Mr A provided limited cooperation. As an example in a call he wouldn't confirm if he was in the relevant location at the time of the reported incident. Wakam went on to deal with the claim, without his input, in a reasonable way. It requested supporting evidence from the third-party. It closed the claim with no payment after it had failed to receive the requested evidence in reasonable time.

Mr A says Wakam failed to provide him with details of the incident and claim. Its possible he did request additional information, but I haven't seen much to support him having done so. Instead it seems it was Mr A that declined to provide requested information.

So I'm satisfied Wakam dealt with the claim in a fair and reasonable manner. It's provided details of the impact of the claim record on Mr A's premium. Having seen that I've no reason to believe it unfairly increased the cost of his cover whilst the claim was open. It appears to have set the premium based on its understanding of the risk at the time. So I'm not going to require it to pay him any refund or compensation or to do anything differently.

Finally Mr A's requested details of the reported incident and third-party. I've provided him with some limited information. If he would like further details he should contact Wakam. It wouldn't be appropriate for me to pass on more information.

My final decision

For the reasons given above, I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 April 2024.

Daniel Martin
Ombudsman