

complaint

Mr C complains that The Society of Lloyd's mishandled his claim on his motor insurance policy.

background

Mr C lives in the United Kingdom (UK). He was riding his motorcycle in another part of the European Union when he was involved in an accident. His insurer arranged to bring the damaged bike back to the UK, wrote it off and made Mr C an offer for its pre-accident value. He complained about how Lloyd's dealt with his claim.

The adjudicator recommended that the complaint should be upheld. He concluded that Lloyd's had disposed of the bike without giving Mr C an opportunity to retrieve personal items from it. He also concluded that it was responsible for delay in resolving the claim. He said that it had already paid about £250 interest. He recommended that Lloyd's should also pay Mr C:

1. £200 for inconvenience;
2. £300 for disposing of the bike and the personal items.

Lloyd's disagrees with the adjudicator's opinion in part. It says it stored the bike in the UK for about eight months during which time Mr C did not contact it about personal items.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I accept Mr C's statement that – the day after the accident – the local franchised dealer told him his bike was not repairable. So I am not satisfied that it was reasonable that it took about six weeks for the insurer to arrange an inspection abroad, transport of the bike back to the UK, another inspection in the UK and then to decide it was not repairable .

In the meantime Mr C's "retirement summer" ebbed away without either the use of the bike or an offer from the insurer.

I do not consider that the insurer had any right to dispose of the damaged machine before making a payment to Mr C. I do not doubt that he was upset when he went to inspect it – and to retrieve the tax disc and personal items – only to find that it had gone.

Lloyd's has given us the name of an agent which it says stored the damaged bike until it was disposed of at about the time Mr C brought his complaint to us. I accept that Lloyd's did not dispose of it before paying Mr C.

But its lack of communication deprived him of the opportunity to retrieve the tax disc and other items. Mr C has not given details of the other items. But I accept that Lloyd's gave him contradictory information, caused him irritation and put him to some trouble.

I infer that – after some negotiation over the following six weeks or so - the insurer paid Mr C a settlement figure close to what he had paid for the bike when he bought it a month before the accident. I conclude that the valuation was no longer in dispute by the time Mr C brought his complaint to us.

And the insurer also paid about £250 which I consider is fair and reasonable for interest on the settlement figure for the period of the delay.

Overall, I conclude that it is fair and reasonable to order Lloyd's to pay Mr C (in addition to what it has already paid) a further £500 for distress and inconvenience.

Mr C has made some new points in his complaint and, in my view, has sought to broaden it since he brought it to us. I consider that it did not initially include a complaint that Lloyd's still has the claim open while it pursues recovery from the third party involved in the accident. Mr C says this is affecting his premium and Lloyd's has not refunded his policy excess. As Lloyd's had not had an opportunity formally to respond to that complaint, I do not consider that it would be fair for me to make any decision on it.

my final decision

For the reasons I have explained, my final decision is that I uphold this complaint. I order The Society of Lloyd's to pay Mr C £500 for distress and inconvenience.

Christopher Gilbert
ombudsman