



Case Study: Motor Vehicle Insurance

INSURER'S POOR INVESTIGATION OF CLAIM

Themes: Administration error; lack of proper investigation; claim denied

The complaint relates to the refusal by an insurance company to properly investigate a vehicle insurance claim in favour of Mr D who had been involved in a vehicle collision and could demonstrate that he was not at fault.

In January 2018, Mr D was involved in a traffic incident with an emergency services vehicle. Mr D's car, valued at £8,000, was written off. Mr D made a claim to his insurance company claiming to be the innocent party and requesting the full value of his car, along with replacement hire car costs of £1,155 that he had incurred since the accident.

The insurance company investigated the claim and accepted the other party's account that Mr D was liable and in February 2018, they sent a cheque totalling £5,850 for the loss of Mr D's vehicle. Mr D made a complaint to the insurance company, reiterating that he was not at fault. In March 2018 the insurance company reconfirmed their initial position.

Mr D requested access to the police report but, an extract was provided along with the insurance company's statement that Mr D had failed to correctly give way to the emergency services vehicle. No witnesses had been approached by the insurance company, despite the fact that the extract from the police report stated that witnesses were present.

In April 2018, the emergency services vehicle driver received a police caution for his involvement in the collision, as he had committed an offence.

In May 2018, Mr D made a complaint to the insurance company because of their bad service and decision making. He stated that the emergency services vehicle driver had received a caution, which would imply that the collision was his fault and not Mr D's. Mr D also stated that he had been approached by witnesses who were at the scene and offered to support him. The insurance company requested witness statements.

In July 2018, the insurance company wrote to Mr D advising they would pay only £615 for the hire car for one week and pay the £150 excess deducted from the value of his car. Mr D again complained and received a final response from the insurance company rejecting his complaint. Mr D brought his complaint to CIFO.

CIFO investigated and found that the insurance company had poorly investigated the claim, used only an extract of the full police report as evidence, and made no effort to locate witness reports until Mr D had complained to them. CIFO upheld the complaint and determined that the insurance company should provide a written apology to Mr D and awarded compensation totalling £3,498. This included a £2,000 distress and inconvenience award, the full hire car costs, the excess fee deducted from the value of his car, plus 8% interest from January 2018 when the compensation should reasonably have been paid.