

Mike Dickinson response to Provisional Findings report

I was delighted to hear on the news this morning that the Competition Commission is studying the complex chain of claims that are creating unnecessarily high motor insurance premiums for all drivers. I hope that my negative experience with an insurance claim (described below) might be helpful in this study.

On Monday 6th June 2011 a car rammed mine at a staggered junction. I was on the main road, the third party drove out of a side road directly into the side of my car incurring £3,000 of damage. The driver refused to accept full responsibility because I had not signaled on leaving the other side road. Initially my insurance company was very sympathetic and anxious to assure me that all would be well and that they would support me. As the weeks went by I became increasingly aware that no-one was actually progressing my claim. It became apparent to me that there were 4 different unconnected parties involved, 1) the insurance company (to whom I had paid my premium), 2) an agency pretending to be their claims department (who dealt with any injury, the need for a hire car, etc.), 3) an agency looking after the legal position and the repair, and 4) the underwriters (also concerned with the repair). It was obvious to me that no-one was being proactive about my claim, apart from me. Every time I rang I was talking to someone who lacked up-to date knowledge of my case. I was told to talk to each of the agencies as though I fully understood the workings of this broken system. My 'phone calls could not even be transferred between them; I had to 'phone them individually myself.

After six months of wrangling through solicitors appointed by both Insurance Companies, the case was finally heard at a Small Claims Court on 27th July 2012. None of my family, friends or contacts could believe that such an obvious case had been brought to court! It took a whole morning with two Barristers and a Judge to conclude that the defendant was 100% liable.

Whilst I was pleased with that outcome, I was still angered by the amount of time it had taken (the collision had occurred on 6 June 2011) and the cost incurred, which must contribute to higher premiums. The court case was a little like 'call my bluff', the judge having to choose the best 'story'. The defendant eventually admitted that she had not looked and therefore had not seen my car. Her written evidence was obviously a blatant lie involving a fictitious additional car. It is clear to me that this claim could have been settled within a matter of weeks had the two insurance companies met and gone through the evidence in the same way as the Judge did in court. (I was told later by the Underwriters that they are not allowed to do so). Had the defendant's Insurance company insisted upon a properly drawn diagram of her story (about a fictitious car which appeared to her left and in front of which I was supposed to have driven diagonally at great speed across her car scraping mine against hers as I did), surely she could have been persuaded that this was simply impossible.

The defendant in this case clearly believed that she had nothing to lose by taking this incident 'to the limit', and at least 40% to gain. Why didn't someone tell her that she had no defence, that she was in danger of being charged with driving without due care and attention and bearing the costs of the case. Why did her insurers support her? Why didn't they refuse to do so? (my Solicitors said that they would not have accepted her case) Her Insurance Company, could have refused to insure her in the future? Would that not have prevented her from getting insurance elsewhere? (she would effectively be blacklisted!). Are there not precedents in the Insurance business? Is there not an industry arbitration service?

I complained to the Ombudsman. My question for the ombudsman was, shouldn't there be some adjudication (arbitration, mediation) mechanism within the Insurance Industry, that prevents cases like this from going to court and avoids the huge cost (adding to the cost of premiums), time wasted and anxiety caused for innocent claimants, like me?. The Ombudsman was not concerned about the process itself, i.e. the one used to determine liability, only the way in which it had been performed. "Should liability not be agreed, it has to go to court".

The final insult in the saga of the collision on 6th June 2011 came when I was told by my insurers that details of the accident would have to appear on my insurance policy, even though I was not at fault, and that would increase my premium, which it did. Why should I have been penalised after all that I had been through? I was told that this is quite normal and would apply no matter who I insured with. Once again, I believe that the claim system as a whole is wrongly designed and grossly unfair.

I hope my experience may be helpful to you and would be pleased to provide more detail should it be needed.