



# As good as they claim?

Our survey reveals the home and car insurers that give the best customer and claims services

**W**e usually judge our insurance companies by their annual premiums but, in reality, insurers are only as good as their claims service. As many members have asked Which? to rate insurers this way, we were happy to oblige.

We asked those that had claimed on their motor or home insurance policies in the past year to rate their companies on the competence of the staff; whether they were able to track their claim online; and the likelihood of recommending the insurer to a friend (see 'Our research', below).

## ACCIDENTS WILL HAPPEN

### The reasons people claim on their insurance

#### House



Accidental damage **46%**



Other (eg leaks) **17%**



Flooding/subsidence **14%**



Theft/burglary **12%**



Accidental loss **11%**

#### Car<sup>a</sup>



Accidental damage **84%**



Other (eg lost keys) **9%**



Accidental loss **4%**



Theft/burglary **4%**



Windscreen **3%**

<sup>a</sup> The total comes to more than 100% due to people who have made more than one claim in the previous year

## OUR RESEARCH

We asked an online panel of 3,986 Which? members in April 2008 about their experiences of making an insurance claim.

The questionnaire looked at claims made in the past 12 months – 2,110 members replied about a car insurance claim, and 1,876 about a home insurance claim. Many thanks to all those who replied.

## Home insurance

The overall performance of home insurers was very strong when it came to claims handling, with 91% of claimants satisfied with their settlement.

### Good timing

A high proportion of policyholders (81%) were satisfied with the timing of their settlement. Buildings and contents insurance claims generally took longer than car insurance claims but 60% were settled in 28 days or less.

And home insurance companies should get some plaudits, as 67% of members were very satisfied with the settlement they received.

RIAS topped the survey in terms of settlement time of home insurance claims, with 67% of claimants 'very satisfied', followed by Saga (63%) and Nationwide (59%). Big names such as Axa, Tesco and Barclays provided the least satisfactory claims services for our members.

### Service

When it came to managing your home insurance claims, our survey showed that NFU Mutual was the best insurer.

RIAS and Saga, which specialise in home insurance for the over-50s, also did well, as did Prudential.

At the other end of the scale, Axa (41% very satisfied) and Norwich Union (45%) lagged some way behind. Home insurance customers of RIAS, Prudential and Saga were most likely to be very satisfied with the final outcome of their claim.

Which? member Anthony Savage, an RIAS policyholder who made a claim on his home insurance, said: 'Everything was initiated, progressed and settled over the telephone with minimum delay.'

### Staff

Members rated NFU Mutual, Saga and Legal & General as having the best call-centre staff when dealing with claims. This was in contrast to our members' view of the performance of staff at Axa and CIS.

An Axa claimant told us: 'I was totally appalled at the handling of my claim. The assessor was unhelpful and didn't understand the damage to my home.'

### USING THE TABLE

The tables (opposite and p14) show how well Which? members thought insurers handled claims. The more stars the better.

**Company** The name on the policy may not be the company that underwrites the policy or handles the claim. For example, RIAS

and AA use a selection of different underwriters. **Staff and service rating** This took into account how you rated the person you spoke to for their manner and how helpful/well informed they were. We also considered how well they explained the process and kept

you updated on the progress of the claim. **Customer satisfaction score** This was worked out by combining responses on the level of satisfaction with the handling of the claim and the likelihood of recommending the company to a friend or family member.



## WHY 'NEW FOR OLD' ISN'T ALWAYS GOOD

**John Pendry 68, semi-retired will writer**

John had a frustrating experience when trying to claim for his wife's lost Victorian opal ring under their Norwich Union home contents insurance policy.

Despite providing a receipt, valuation and photo, he was offered a voucher for Goldsmiths Jewellers, which sells only new items.

John told us: 'No one at the call centre understood the difference between new and antique.'

Having had no success initially, John wrote to the insurer's head office, which agreed to settle the claim, together with an

apology from the director of customer services.

Norwich Union told us: 'There was an initial mistake by our claims team on this case... [but] we do distinguish between new pieces of jewellery and other items.'

'Prior to him contacting [head office], the claims team had already agreed that the full value of the ring would be paid in cash minus his excess.'

John subsequently rejected the renewal premium quote of £299 from Norwich Union and arranged cover through AA Insurance for £182.

## Contacts

### HOME

**Nationwide** 0500 302017  
www.nationwide.co.uk/insurance

**NFU Mutual** 0800 316 4661  
www.nfumutual.co.uk

**Prudential** 0800 300300  
www.pru.co.uk

**RIAS** 0800 052 5051  
www.rias.co.uk

**Saga** (Home) 0800 068 8719  
www.saga.co.uk

### MOTOR

**Churchill** 0800 200326  
www.churchill.co.uk

**CIS** 0845 746 4646; www.cis.co.uk

**Esure** 0845 603 7873  
www.esure.com

**Fortis** www.fortisinsurance.co.uk

**Frizzell** 0800 756 8033  
www.frizzell.co.uk

**LV=** 0800 756 8020; www.lv.com

**Privilege** 0845 246 0311  
www.privilege.com

**RAC** 0800 328 6401

www.rac.co.uk/web/insurance/car/

**Saga** (Motor) 0800 068 8718  
www.saga.co.uk/finance/motor

COMPANY	HOME INSURANCE	
	STAFF AND SERVICE RATING	CUSTOMER SATISFACTION SCORE (%)
NFU/NFU MUTUAL	★★★★★	92
RIAS <sup>a</sup>	★★★★★	72
PRUDENTIAL	★★★★★	70
SAGA <sup>a</sup>	★★★★★	68
NATIONWIDE	★★★★★	67
R&SA / MORE THAN	★★★★★	63
ZURICH	★★★★	63
DIRECT LINE	★★★★	62
LLOYDS TSB	★★★★★	62
LEGAL & GENERAL	★★★★★	61
LV=	★★★★★	60
CIS (CO-OPERATIVE)	★★★★	59
NORWICH UNION	★★★★	57
ABBEY	★★★★	56
HALIFAX	★★★★	53
BARCLAYS	★★★★	52
TESCO	n/a <sup>b</sup>	48
AXA	★★★★	47

**NFU Mutual was by far the best home insurer**

<sup>a</sup> Available only to over-50s <sup>b</sup> Insufficient number of answers to this question. This does not affect the satisfaction score

## Car insurance

Customer satisfaction levels for car insurance claims were relatively high – 84% of respondents were satisfied with their final settlement.

### Timing and switching

Motor insurers also did well when it came to settling claims quickly – 8 out of 10 members were satisfied with the length of time between notifying their insurer and receiving a final settlement. Two thirds of members said their claim was settled in less than 28 days.

Members are also listening to our advice about switching when your policy comes up for renewal or if you face higher premiums in the second year – 22% of members said they had changed providers in the last year (visit [www.which.co.uk/carinsurance](http://www.which.co.uk/carinsurance) for Best Buys).

Understandably, a higher proportion of those who

were dissatisfied with how their last claim had been handled (39%) had changed insurer in the last year. One in five members anticipates switching in the next year.

### Top gears

There were some stark differences when we looked at the performance of individual companies.

Frizzell and Saga led the way in our survey. Brian Moore, who has a Frizzell policy, said: 'I received a very good response to my claim.'

The worst performers included some of the biggest names in the industry, including Norwich Union and the Post Office.

A Norwich Union claimant noted: 'Dealing with Norwich Union Direct was the most frustrating experience I have ever had.'

Claimants were very satisfied with how quickly

Frizzell, Fortis, Saga and the RAC turned around claims, and RAC and Frizzell were most likely to provide a satisfactory settlement. Insurers that should try to speed up processes include Direct Line, Norwich Union and Tesco.

Staff at Saga, Fortis and Frizzell were found to be the most helpful and informed. Employees at Admiral, Norwich Union and the Post Office were the least helpful.

### Best Buys vs service

Our table, below right, shows the companies that should give the best service.

The Post Office, Admiral and Hastings Direct are in the bottom five but have all appeared as Best Buys.

These are based on what is included in the policy and on the lowest premium. We didn't rate their performance when dealing with claims.

Churchill and LV=, on the other hand, were Best Buys in certain scenarios and handled members' claims well.

Our Best Buys are a guide to obtaining the most competitive price, but paying lower premiums may not always ensure a smooth claims experience.



## Checklist

Our guide to ensuring that the claims process runs as smoothly as possible

### ■ Be prepared

Make sure your car or home is insured for the correct amount and that you are clear on the policy's exclusions. Having photos, receipts or valuation certificates may help prove your claim and speed up the process.

■ **Online** Most insurers now allow you to track your claim online. Use this to make sure that

everything is progressing well.

### ■ Keep everything

Providing as much information as possible will help insurers to assess your claim.

■ **Keep notes** If you are dealing with the insurer over the phone, ask for a contact, a direct number and a direct email address.

Make a note of

conversations, times and the name of the person you spoke to.

■ **Complain** If your claim is turned down or the payout/service is not to your satisfaction, complain to the insurer. The company has eight weeks to respond. If you don't get a satisfactory reply, you can complain to the Financial Ombudsman Service.



### A BATTLE WITH HASTINGS

**Richard Harding** 36, health and safety manager

Richard has been unimpressed with the way Hastings Direct has handled his claim since his car was stolen and damaged. When trying to report it on the 24-hour claims line, he was told to leave his details, as it was after 8pm. He wasn't called back until the next day. Richard said: 'We encountered poor knowledge of our claim and spent a long time on hold. Staff didn't seem to want to know.'

Hastings Direct initially made an assessment over the phone with the car recovery company and only

agreed to a detailed physical examination when Richard demanded it. The car was found after three days, but it was a further 10 days before Hastings came to assess the damage. Richard told us: 'We spent over two months dealing with the insurer – it will never have my business again.' A Hastings Direct spokesman said: 'It is clear the claim could have been processed more efficiently. We regret the inconvenience they experienced.'

COMPANY	MOTOR INSURANCE	
	STAFF AND SERVICE RATING	CUSTOMER SATISFACTION SCORE (%)
FRIZZELL <sup>a</sup>	★★★★★	76
SAGA <sup>b</sup>	★★★★★	74
FORTIS <sup>c</sup>	★★★★★	72
ESURE	★★★★★	70
PRIVILEGE	★★★★★	69
RAC	★★★★★	67
CHURCHILL	★★★★★	66
LV=	★★★★★	66
CIS (CO-OPERATIVE)	★★★★★	64
AA	★★★★	62
DIRECT LINE	★★★★★	62
AXA	★★★★	61
CORNHILL DIRECT	★★★★★	61
TESCO	★★★★	61
MARKS & SPENCER	★★★★	60
ZURICH	★★★★	59
HASTINGS/HASTINGS DIRECT	★★★	56
R&SA/MORE THAN	★★★	55
ADMIRAL	n/a <sup>d</sup>	53
NORWICH UNION	★★★	50
POST OFFICE	★★★	49

<sup>a</sup> Available only to members of certain trade unions and CSMA motoring association

<sup>b</sup> Available only to over-50s <sup>c</sup> Available only via a broker <sup>d</sup> Insufficient number of answers to this question. This does not affect the satisfaction score