

Bristol and London plc response to Provisional Determination on Remedies

Dear CMA

We have looked into the direct hire market and surmised that we would not be able to viably operate within this market as a whole. However, we have marketed our surplus fleet to be used in this area. This effectively means that the direct hire rates are subsidised by the credit hire side of the business. In other words, the direct hire business and the credit hire business are interdependent.

Having operated in both the credit hire market and direct hire market, it is very hard to believe that the period of hire for each is the same. Given the same set of circumstances, the period of hire for credit hire is always less than direct hire. We spend considerable time and effort in monitoring our hires, and write off a significant portion of the hire prior to invoicing. Even if other companies in the industry do not follow a strict write off regime before they invoice, the outcome is still the same as the third party will not pay for the excessive days. Therefore, either the insurance company spends more time arguing a claim in credit hire, or they will need to employ people to monitor the direct hire. Either way has costs associated with it.

[...] FOR THE ATTENTION OF THE CLAIMS MANAGER

[...]

Sent:[...]

To: [...]

Attachments:[...]

Dear Sirs

We refer to our previous correspondence regarding this claim, and our telephone call of [...].

We were advised in this telephone call with [...] that you have not had a response from your insured, nor have you attempted to contact your insured due to a 'backlog'.

As you are aware, you also have a duty to attempt to settle this matter in a timely manner without the need for litigation. However, the accident occurred in August and since this date we have struggled to speak to the file handlers, not had a response to our emailed correspondence nor received call backs which were promised.

Your company has not been pro-active in managing this claim, nor has our client been treated fairly.

We enclose copies of our file notes which shows that whilst we have been active in chasing this claim and attempting to reach settlement, you have not.

We therefore put you on notice that if you do not attempt to contact us to discuss bringing this matter to a conclusion before [...]we will be reporting your conduct to the Competition Commission and will refer our client's claim to panel solicitors for litigation.

[...]