

## **The complaint**

Mr R complains about how Aioi Nissay Dowa Insurance Company of Europe SE dealt with a claim against his motor insurance policy. Reference to Aioi Nissay Dowa includes reference to its agents.

## **What happened**

In what follows, I summarise events in rather less detail than they've been presented. That's a reflection of the informal service we provide.

On 18 April 2019, the day before a long bank holiday weekend, Mr R had an accident whilst driving. The front of his car collided with a bollard when he was reversing out of a parking bay.

On 24 April 2019, Mr R phoned Aioi Nissay Dowa and said that his car was with the authorised repairer, who was assessing whether the car was repairable or a total loss. Sometime after that, the authorised repairer told Mr R that his car was a total loss.

Mr R says that on 27 April 2019, he test-drove and agreed to buy a new car.

On 29 April 2019, Mr R contacted Aioi Nissay Dowa to establish what was happening and it told him that the car hadn't yet been written off, it was waiting for confirmation, and that he should have been offered a courtesy car when his car was with its authorised repairer. I understand that the authorised repairer subsequently continued to give Mr R confusing and contradictory information about whether his car was written off or repairable.

On 2 May 2019, Mr R paid a deposit of £250 in relation to his purchase of a new car and asked Aioi Nissay Dowa about how he could change his insurance to his new car.

On 9 May 2019, Mr R signed the order form for the purchase of the new car. On 11 May 2019, Aioi Nissay Dowa told him that it wouldn't cover his new car under his existing policy.

On 15 May 2019, Mr R's repaired car was returned to him. On 25 June 2019, Mr R reported to Aioi Nissay Dowa that, in preparing the repaired car for sale, he noticed that it rattles when driven and the air conditioning didn't work. He asked that the car be repaired.

Mr R complains that:

- He was told, incorrectly, that his car was a total loss, which meant that he wasn't offered a courtesy car initially and he was put to the unnecessary trouble of buying a new car.
- The quality of the repairs was poor.
- He was told, incorrectly, that he could transfer his policy to a new car and only his premium would be affected, but this wasn't the case.

Mr R wants Aioi Nissay Dowa to repair the air conditioning so that he can sell the car, a contribution towards insuring and financing two cars, compensation for the loss of value of the repaired car, compensation for the time he spent buying a new car and for his distress and inconvenience.

In response to Mr R's complaint, Aioi Nissay Dowa said that its authorised repairer told Mr R, incorrectly, that his car was a total loss, which caused him inconvenience and loss. It reimbursed £146.62 for car hire and taxi costs for the period when Mr R should have had a courtesy car. Aioi Nissay Dowa offered compensation of £450 in relation to delays, the inconvenience of finding alternative transport when he should have had a courtesy car, the stress of finding out that his car would in fact be repaired and incorrect information about the further inspection of the car in relation to the air conditioning problem.

Aioi Nissay Dowa didn't think that Mr R had shown that he bought the new car as a result of the incorrect information he'd received, so, it didn't offer any compensation for that. And it didn't uphold the part of his complaint about being told that he could transfer his policy to a new car. Aioi Nissay Dowa said that its engineer's report found that the problem with the air conditioning was due to wear and tear, so it wouldn't look into that matter any further.

One of our investigators looked at what had happened. He thought that Aioi Nissay Dowa's offer of compensation amounting to £450 and reimbursement of £146.62 for car hire and taxi costs was fair. The investigator said that Mr R was aware that his car hadn't been written off before he completed the purchase of the new car. He said that he thought it was reasonable for Aioi Nissay Dowa to rely on the engineer's findings in relation to the issue about the air conditioning. The investigator didn't think that Aioi Nissay Dowa was at fault in relation to the information it gave to Mr R about insuring his new car.

Mr R didn't agree with the investigator. He disputed the chronology of events on which the investigator had relied. Mr R said that when he asked Aioi Nissay Dowa whether he could transfer his insurance to another car, it should have told him that it wouldn't cover a lot of cars. He asked that an ombudsman consider his complaint. There were further exchanges between Mr R and the investigator, which I won't set out here.

### **My provisional decision**

On 9 October 2020, I sent both parties my provisional decision in this case because whilst I'd come to the same overall outcome as our investigator, it was for different reasons. So, I gave both parties an opportunity to comment before I came to a final decision. In my provisional decision I said:

*"It's clear that Mr R has very strong feelings about this matter. He's provided detailed submissions to support his complaint, which I've read and considered. However, I trust that he will not take as a discourtesy the fact that I focus on what I consider the central outstanding issues.*

*It's common ground that Aioi Nissay Dowa's authorised repairer told Mr R, incorrectly, that his car was a total loss. There's also been delay and confusion in dealing with the claim. Mr R wasn't offered a courtesy car initially, when he should have been.*

*One of the remaining issues for me to decide is whether Aioi Nissay Dowa should compensate Mr R for the fact that he bought a replacement car. I don't think it should and I'll explain why.*

*I've requested and listened to recordings of further phone calls between Mr R and Aioi Nissay Dowa, which reveal a different chronology from that which was indicated by the system notes.*

*During one of Mr R's calls to Aioi Nissay Dowa on 2 May 2019, Mr R said that he'd been told that his car will be repaired. Mr R signed the agreement for the purchase of the replacement car on 9 May 2019. I appreciate that Mr R paid a deposit before then and that he says he agreed to buy the car, but he wasn't obliged to buy the car before 9 May 2019, by which time, he knew that his car would be repaired. So, I don't think that Aioi Nissay Dowa needs to compensate Mr R in relation to his purchase of a replacement car.*

*When Mr R raised concerns about the quality of the repairs and damage to the air conditioning system, Aioi Nissay Dowa arranged for an engineer to inspect the car, which is what we'd expect it to do. The engineer concluded that the damage to the air conditioning wasn't related to the accident or repair. I don't think that Aioi Nissay Dowa was at fault in relying on the engineer's report. There's no evidence to support Mr R's assertion that Aioi Nissay Dowa's authorised repairer caused the damage he's concerned about. So, I don't think that it needs to take any further steps in relation to the repairs.*

*On 2 May 2019, Mr R asked Aioi Nissay Dowa about changing his car under the policy and it said that he could do that, but it needed the registration of the new car to do the quote. Mr R called Aioi Nissay Dowa again when he had the registration of the new car and it said that it couldn't offer cover for the car, as Mr R didn't have sufficient no claims discount.*

*In general terms, Aioi Nissay Dowa is entitled to decide what risks it's willing to insure, so it's entitled to refuse cover. I don't think that Aioi Nissay Dowa should have told Mr R that it wouldn't insure his new car any earlier than it did – it told him as soon as it knew the registration of the new car. As his earlier enquiry was general in nature, I don't think Aioi Nissay Dowa was obliged to explain that it doesn't offer cover for all cars.*

*Considering everything, I think that the compensation Aioi Nissay Dowa has already paid in relation to things that went wrong is fair and I don't propose to ask it to pay any more."*

## **Responses to my provisional decision**

Neither Mr R nor Aioi Nissay Dowa responded to my provisional decision.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Given that neither Mr R nor Aioi Nissay Dowa have provided me with anything further on the complaint, I see no reason to depart from the conclusions I reached in my provisional decision. So, for the reasons I've explained, I think that the compensation Aioi Nissay Dowa has already paid in relation to the things that went wrong with Mr R's claim is fair and I don't propose to ask it to pay any more.

**My final decision**

My final decision is that I don't uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 December 2020.

Louise Povey

**Ombudsman**