

The complaint

Mr R has complained about the way Markerstudy Insurance Company Limited has handled his claim under his motor insurance policy.

What happened

Mr R had an accident while he was driving on the motorway, in which the rear of his car was damaged. He reported the incident to Markerstudy and said he wanted to claim for the damage to his car. Markerstudy arranged for the car to go to one of its authorised repairers, who I'll refer to as A. A produced an estimate for repairing the damage to the rear of the car. They said there was damage to the steering rack due to a steering track rod end having been heated up previously. They said it would cost around £2,500 to fit a new steering rack. Mr R has said when he went to A to discuss this, they suggested his car should be written-off. And when he said, if this happened, he'd buy it back off the insurer, A said they'd prevent this.

Once A had told it about their concern with the steering rack Markerstudy offered a cash-in-lieu settlement. It said it would only pay the amount quoted by A for the repairs, less the VAT until Mr R had had the repairs carried out; at which point it would reimburse the VAT element. Mr R was very unhappy about this, but felt he had little option other than to agree. A delivered his car back to him. Mr R has said when this was done in July 2020 the driver didn't wear a mask, despite the pandemic. Mr R also observed that the exhaust had become detached and was banging on the ramps, as it came off the delivery vehicle. Plus, he thinks A also damaged the rear suspension arm bush and this had to be replaced.

Mr R has said when A returned his car to him, they wanted him to sign a disclaimer which said it was a total loss. When he refused to sign this, they insisted he signed one saying it was unroadworthy.

Because Markerstudy excluded the VAT from the settlement amount it only paid Mr R £5,730.87 net of the policy excess initially. Mr R has said this meant he couldn't afford to have all the repairs that were needed to the rear of his car carried out. So, he had work costing £5,400 carried out. He sent the invoice for this work to Markerstudy and it paid him a further £900 to cover the VAT on it. This means Mr R has received £6,380.87 to date, net of the policy excess. Mr R has said that to get the additional work required carried out will now

cost around £2,000.

Mr R has also said when he got his car back it hadn't been sanitised inside and the upholstery was dirty and marked. He paid for it to be deep cleaned and then valeted after it had been repaired.

Mr R has said A collected the courtesy car he'd had from him without any warning. He thought it had been stolen and reported this to the police. He's also mentioned the inside of the courtesy car was filthy and covered in animal hairs. He's said this caused him to

have an allergic reaction and he needed treatment from an ENT specialist.

Mr R has also explained that when his car came back to him he discovered there was a problem with one of the wheels, i.e. it had been damaged. And the locking wheel nuts had also been damaged. He puts this down to A taking the wheels off without taking enough care and damaging both the locking wheel nuts and the wheel. Mr R had to pay for the locking wheel nuts to be fixed and for a new alloy wheel. He's said sorting all this out also took a great deal of time and effort. He's also said – because his car had been stationary for some time, he had to have the air conditioning checked and serviced. And he also had to have the car checked after it had been repaired to make sure it would pass an MOT.

Mr R has said he estimates he lost about one and a half days work as a contractor having to find a garage to repair his car and sorting out the locking wheel nuts. He thinks he should be compensated for this. He's also said he was without his car for a long period as a result of Markerstudy's failings, despite still paying his insurance premium. And, he had no car at all for five weeks, while his car was being repaired. He had to rely on friends and get taxis, as he didn't feel safe on public transport due to the pandemic. He estimates he spent around £600 on taxis in this period, which he paid for in cash. Mr R wants compensation for all of this, including something for the general distress and inconvenience he experienced as a result of what he considers was an unreasonable decision by Markerstudy based on incorrect information provided to it by A.

Mr R has provided evidence from a BMW specialist, which he thinks shows heating up a track rod end would not have caused a problem with the steering rack. His car also passed an MOT after it had been repaired without the steering rack being flagged as an issue, despite the fact it hadn't been replaced. Mr R is adamant this shows A fabricated the problem with the steering on his car.

Mr R also mentioned he felt Markerstudy was too quick to accept liability on his behalf for the accident.

Mr R complained to Markerstudy and it issued a final response letter. This only dealt with certain aspects of his complaint and did not address the problem with the courtesy car, as Mr R hadn't raised it at this point. Mr R asked us to consider his complaint and raised some further points. Originally, we only dealt with the points he'd raised when he first complained to Markerstudy, but eventually Markerstudy reviewed the additional points and issued another final response letter. Markerstudy agreed we could look at all Mr R's complaint points as part of this complaint.

One of our investigators considered Mr R's complaint in two stages. In his first view on it he concluded Markerstudy hadn't done anything wrong. He said it was entitled to settle Mr R's claim on a cash-in-lieu basis and withhold the VAT. In his second view, he accepted the courtesy car was dirty and that this caused Mr R distress and inconvenience. And he suggested Markerstudy pay compensation for this, But, he still didn't support Mr R on his other complaint points. He didn't address Mr R's concern about Markerstudy accepting

liability for the accident.

Mr R didn't accept our investigator's view and made lots of additional points. Markerstudy didn't accept it either, as it didn't accept the courtesy car was dirty. It's provided the document Mr R signed when he took it, which it thinks proves this.

Having reviewed Mr R's complaint, I spoke to him at some length to check on the points he'd made and clarify some things. He explained why there is now around £2,000 worth of

work needed to finish the repairs to his car. He provided a rough breakdown of these costs from the repairer he used to do the repairs. He also provided me with details of the taxi journeys he made after he lost the courtesy car, while his car was off the road. He'd already provided invoices for the deep clean, valet, air conditioning service, fixing the wheel nuts, the alloy wheel, along with some other information.

I issued a provisional decision on 27 January 2022 in which I set out what I'd provisionally decided and why as follows:

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

Markerstudy has explained that the reason it made a cash-in-lieu offer to Mr R was that its repairer thought there was a problem with the steering rack on his car following a geometry check. And they'd checked the track rod ends and discovered they'd previously been heated up. This led them to be concerned that when this happened the steering rack had also been heated up and that this may have caused damage to it.

I've seen the geometry check Markerstudy has referred to and this does show there was a problem with the wheel alignment on Mr R's car. And A also reported to Markerstudy that the front track end rods had been previously heated and that they were unable to adjust the steering. They also said this would be an MOT failure. And UK Government MOT guidance does say it is inappropriate to heat up stressed components and that the steering is considered a highly stressed component.

Mr R accepts the track rod ends had been heated up previously. So, while I appreciate Mr R's point of view, I can understand why A was concerned about the steering rack and thought it needed replacing. And I don't think their concern was unwarranted or unreasonable.

I appreciate Mr R has now provided evidence to show that heating the track rod ends was acceptable and that they are just something to keep an eye on once this has been done. And his car did later pass an MOT without an issue being raised about the steering rack. But this doesn't mean that it was unreasonable for A to be concerned. I say this because, as I understand it, it's possible a steering rack could be heated up when the track rod ends are heated. And this could cause a problem with the steering rack. Therefore, if a repairer knows the track rod ends have been heated and they have a geometry report showing a problem with wheel alignment, they'd be understandably concerned about the steering rack. And this was clearly the case with A.

As it turned out other mechanics who looked at Mr R's car later were satisfied the steering rack was OK. And it was either not picked when the MOT was carried out or the garage that did it was happy with the steering. But this doesn't mean A were wrong to be concerned.

Mr R's policy does give Markerstudy the option to pay the cost of the repairs to Mr R's car instead of arranging for it to be repaired. So, I need to decide whether its decision to do this was reasonable in the circumstances.

I can see from exchanges between Markerstudy's engineer and A that A told the engineer of their concern about the steering rack. And it was because of this that Markerstudy decided to make a cash-in-lieu off in accordance with the policy terms. And – bearing in mind I think A's concerns were reasonable, I also think Markerstudy's decision to make a cash-in-lieu offer was reasonable and that it was entitled to do this. It did this fairly soon after Mr R's car had gone to A and more or less as soon as it became aware of A's

concerns. So, I also think it made the offer within a reasonable time.

Mr R being without a car for five weeks and the financial losses, the inconvenience and costs flowing from this were all as a result of Markerstudy's decision to settle his claim on a cash-in-lieu basis. So, because I think its decision to do so was in line with the policy terms and reasonable, I don't intend to award anything for the losses and inconvenience that flowed from it.

As I've already explained, Mr R's policy does give Markerstudy the right to pay Mr R the cost of the repairs to his car, i.e. a cash in lieu settlement, as an alternative to arranging for it to be repaired by one of its approved repairers. But, I don't think this means Markerstudy was entitled to withhold the VAT. The cost of the repairs to a consumer - in this case Mr R - includes VAT, as they have to pay this. And I do not think it's appropriate for an insurer to put a consumer in a position where he has to use his own funds to pay for a repair and face the possibility of not having sufficient funds to get all the repairs carried out initially, when the insurer has made the choice not to use its approved repairer.

Having spoken to Mr R, I'm satisfied the fact Markerstudy unfairly withheld the VAT left him with insufficient funds to get all the work needed to his car completed. Mr R has now explained that to provide a proper estimate for the further work required his repairer will charge £300, because it will involve taking the bumper off and stripping the car down to some extent. They're not keen to do this without knowing they'll be doing the repair. They've given Mr R a rough cost based on the increased cost of labour and parts since he had the first part of the repair done. And I'm satisfied that this is reasonable. This is because I know repair costs have gone up due to the pandemic and Mr R has explained how originally the repairer has said it would have cost about the same as Markerstudy's repairer would have charged, i.e. around £6,900. It has now said it's going to cost approximately £7,700 in total. This means Mr R should receive £7,450 for the repairs to his car, net of the £250 policy excess. Mr R has received £6,380 (rounded down to the nearest pound) so far from Markerstudy. So I think he should get a further £1,070 in settlement of his claim for the repairs to his car.

Because Markerstudy withheld the VAT and Mr R couldn't afford to get all the repairs to his car done at the same time, he's now going to be without his car for a further week, whilst the further work is done. As - in my opinion - this results from Markerstudy unfairly withholding the VAT, I think Markerstudy should cover the cost of a hire car for a week. Mr R has provided a reasonable quote for around £170, so I think Markerstudy should also pay him this amount in addition to the extra amount due for the remainder of the repairs.

I also think Markerstudy should pay Mr R compensation for the distress and inconvenience he experienced as a result of not being able to afford to get all the repairs done to his car. And for the delay in getting his car back, as he understandably challenged this decision. This must have been very frustrating and only happened because Markerstudy unreasonably withheld part of the amount due to him for the repairs.

I can understand A wanting Mr R to sign one of two disclaimers when they delivered his car back to him. One was to say the car was unroadworthy, which as far as they were concerned it was. And the other was to say it was a total loss. The second of these was because they estimated all the work that - in their opinion - needed doing on his car

(including replacing the steering rack) made it uneconomic to repair, i.e. a total loss. But I think the disclaimer referring to the car being a total loss was unnecessary and inappropriate. After all, whilst A had understandable concerns, they'd not actually estimated the cost of the repairs and didn't know for sure the steering rack needed replacing. So, I think asking Mr R to sign a disclaimer saying his car was a total loss

was wrong and he should be compensated for the distress this caused him.

I asked Markerstudy to check with A regarding the damage to the wheels and locking wheel nut. They've said they did not remove the wheels from Mr R's vehicle at any point. Mr R thinks they must have done, as he recalls last time he had tyres changed on his car the locking wheel nuts were fine. However, looking at the type of damage to Mr R's car, I cannot see any good reason why A would have needed to take the wheels off to produce an estimate to repair it. If they needed to view the wheels or suspension, they could have put it on a car lift to look at the underneath of the car and check the wheels and suspension. And they would not have needed to take the wheels off to do a geometry check. So, I don't think there is sufficient evidence for me to conclude that A caused the damage to the either the wheel on Mr R's car or the locking wheel nuts. I appreciate Mr R will be disappointed about this, but I have to base my decision on what I think is most likely looking at the evidence available.

I asked Markerstudy to check with A whether they sanitised the courtesy car before they provided it to Mr R. And whether they put covers over the seats of Mr R's car before they sat inside it, whilst it was with them. They've said that they sanitised all the touch points on the courtesy car and on Mr R's car before returning it. But A haven't provided any documentary evidence to show they did this or that they told Mr R they'd done it. So, I can understand why Mr R had the car cleaned inside when he got it back, as he'd have been worried about contamination, bearing in mind it was fairly early in the pandemic. However, equally, if he was concerned Mr R could have called A and checked whether his car had been properly sanitised, but I can't see that he did.

In the circumstances, I think it is fair that Markerstudy pay half what it cost Mr R to have his car professionally cleaned to make sure it wasn't contaminated. This is because the reason he had this done was partly due to A not telling him they'd sanitised the main touch points and partly because he didn't call them to check. I'm satisfied from the evidence Mr R has provided that he paid £100 for this. So I think Markerstudy should pay him £50 towards this.

As I've already mentioned, Mr R had his car valeted after he'd had it repaired. And I appreciate he's said this was because the inside was dirty when he got it back from A. But he's not provided photographs to show this and I can't see that he raised it with A at the time his car was returned or soon after. Therefore, I don't think it would be reasonable for me to make Markerstudy pay for the valet. That's not to say it wasn't dirty, but I don't think it would be fair to ask Markerstudy to pay when Mr R didn't give them or A the chance to do anything about it. Also, whilst I've got Mr R's testimony this was the case, I've also got a testimony from A to say they used plastic covering to protect the inside of the car. So I don't think Mr R has shown it is most likely the car was dirty because of a lack of care by A whilst it was in their possession.

I accept when A returned Mr A's car the exhaust was loose and this banged on the ramps of the delivery truck. This is because I see no reason to doubt his testimony on this. However, I don't think this of itself warrants compensation for distress and inconvenience.

I don't think there is enough evidence for me to conclude A damaged the rear alignment bush on Mr R's car. This is because they had no reason to touch this and it could have been damaged when Mr R's car was hit in the rear.

I do think the driver who Mr R's car should have worn a mask when he did this. This is because it was at the height of the pandemic and I think from a professional point of view it would have been reasonable. Unless, of course, he was medically exempt. But, I've not seen any evidence that he was. The fact he didn't, clearly would have caused

Mr R some distress.

I've noted Mr R's account of when A took the courtesy car back without telling him. And I accept Mr R's testimony that this happened. This is because he reported the car as stolen to the police and has provided a crime reference. And I don't think he'd have done this if A had told him they were coming to collect the car. Also, A can't provide any evidence to show they made contact with Mr R to make sure he was aware they were going to collect his car.

Collecting the courtesy car without telling Mr R was inappropriate and would have been distressing for him and inconvenient. And I think he should be compensated for this.

I also accept Mr R's testimony on the state of the courtesy car he was provided with. This is because Mr R has been consistent on this since he first raised it and I can't see why he'd have raised it if it wasn't true. He's said the animal hair or whatever dirt etc was in it caused him to get an allergic reaction and this has led to a long period of unpleasant nasal symptoms, which he felt he needed to consult a specialist about. From what he's told me, Mr R had no such symptoms before he started using the courtesy car, so I'm satisfied they were as a result of the state of the car. A have said they sanitised the main touch points of the courtesy car and they've provided a copy of the check-in sheet Mr R signed when he collected the car. But the check-in sheet makes no reference to the state of the inside of the car and the fact the main touch points may have been sanitised doesn't mean it was clean inside generally.

Therefore, I also think Mr R should be compensated for the distress and inconvenience flowing from the fact it's most likely A supplied him with a courtesy car that hadn't been cleaned properly inside and the problems this led to for him.

I appreciate why Mr R had to have the air conditioning serviced on his car after he got it back. This is advisable and necessary when a BMW has been sitting unused for a long period of time. And at least part of the reason this happened was Markerstudy's unreasonable decision to withhold the VAT due on the repairs to Mr R's car. So I think it is fair and reasonable for Markerstudy to cover the cost of the air conditioning service. This cost £209 according to the invoice provided by Mr R.

In summary, in my opinion there were five failings on the part of A that caused Mr R distress and inconvenience. And – because A is Markerstudy's agent – it's responsible for them.

They were A's unreasonable attempt to get Mr R to sign a disclaimer saying his car was a total loss, A collecting their courtesy car without warning Mr R, the fact the person who delivered Mr R's car back didn't wear a mask, the fact the courtesy car was dirty inside and caused Mr R to have an allergic reaction. Plus, leaving Mr R not being able to afford to get all the repairs to his car completed. I think overall this caused him a significant amount of distress and inconvenience. And I think this warrants a compensation payment of £500.

I've noted Mr R's concern about Markerstudy's decision to accept liability for the accident he was involved in. Markerstudy has the right to do this under the terms of the policy and I'd only criticise it for doing so, if I thought its decision was unreasonable based on the circumstances of the accident. But, I don't. I think based on how Mr R described the circumstances, he'd have been found to be fully responsible if the matter went to court. So, Markerstudy had no other sensible option other than to admit liability on Mr R's behalf.

My provisional decision

For the reasons set out above, I've provisionally decided that Mr R's complaint should be upheld and Markerstudy Insurance Company Limited should do the following:

Pay Mr R a further £1,070 in settlement of his claim.

Pay Mr R £170 so he can get a hire car whilst his car is in for further repairs to be carried out.

Pay Mr R £500 in compensation for distress and inconvenience.

Pay Mr R £50 towards the cost of having his car cleaned.

Pay Mr R £209 for the air conditioning service.

I gave both parties until 10 February to provide further comments and evidence.

Mr R has responded to my provisional decision and provided many further points by telephone and by email and some further evidence and I've detailed all of this below:

- The Geometry report provided by A shows the front passenger side wheel was perfectly aligned when A started the check and by the end it was out of line. This is the wheel on which the track rod end had been previously heated up. The report also shows A adjusted the front driver's side wheel, but didn't align it properly and left it out of line.
- A raised the possibility of the steering rack being damaged to cover up the fact they'd damaged the locking wheel nuts by trying to get his car written off. And it wasn't a genuine concern. He has suggested the fact A never actually provided an estimate for repairing the steering rack, despite him asking for this, shows they knew there was nothing wrong with it. And he thinks the fact A tried to get him to sign a disclaimer saying his car was a write-off proves they were trying to get it written off.
- The geometry report shows that A adjusted the tracking on the rear wheels of his car and he has said to do this they had to undo the bolt the suspension arm bush is in and he thinks they over tightened this and damaged the bush. He had to have this replaced and would like me to make Markerstudy pay for this. To replace this cost £170, plus a further £31 to have the tracking done again.
- He understands that before adjusting the tracking Apollo would have needed to take the wheels off his car and he thinks they damaged the locking wheel nuts when they did this and damaged the rim on one of the wheels. He wants Markerstudy to pay the cost of having the locking wheel nuts sorted out and for a new alloy wheel. Plus, he'd like compensation for the time he had to put in to get the wheel nuts sorted out.
- A should have told him they'd sanitised the car, as then he would have known he didn't need to bother having it done.
- A is lying about sending the car back to him dirty and he didn't raise it at the time, as there were many other issues of concern. So he still thinks Markerstudy should cover the cost of his car being valeted.
- What I awarded for the outstanding repairs to his car is not going to be enough, as repair costs have gone up in the last couple of years. He's provided some further evidence in support of this.
- The £170 I awarded for a hire car whilst his car is in for repair isn't likely to be enough, as it's based on the lowest quote he got and his car maybe in for longer than a week. He thinks I should award more for this.
- The £500 I've awarded for distress and inconvenience isn't enough, especially

considering all the hassle he's had putting together his submissions for his complaint and the health issues he suffered due to the pet hairs in the courtesy car. He should be compensated for not having his car for around five months.

- He should be compensated for the loss of a day's work finding a repairer to repair his car, as this was only really necessary because of the concern A made up about the steering rack.
- After he got his car back he had to get a mechanic to check it and get it ready for MOT and this should be covered as part of the repair cost. It cost £50.
- He should have his hire car costs covered for the period after he got his car back and was waiting for it to be repaired.
- He should get the premium he paid back for the period his car was off the road, as he got no benefit from the policy in this period.

Markerstudy responded to my provisional decision and made the following comments:

- A tried to contact Mr R regarding returning the courtesy car and spoke to him when he called in after it had been collected and said it had been stolen. They explained to him they'd collected it. So, Markerstudy don't think there was any need for Mr R to report it as stolen to the police.
- A has said it doesn't have a 'total loss disclaimer' that would have needed signing.

Having received Mr R's and Markerstudy's comments in response to my provisional decision, I reconsidered his complaint and wrote to Markerstudy to make some further points about A's conduct and concerning further payments I intended to require them to make:

- I pointed out Mr R had provided a copy of the 'total loss disclaimer' he'd been asked to sign by A.
- I said it should pay A further £200 in compensation for the distress and inconvenience Mr R experienced as a result of A's poor handling of the steering rack issue.
- I said it should pay the cost of replacing the damaged suspension arm bush on the basis I thought it most likely A damaged this.
- I said it should pay the cost of sorting out the locking wheel nuts on the basis that I thought it likely A did remove the wheels on Mr R's car and damaged them. And £100 for the distress and inconvenience resulting from this.
- I said it should pay the cost of the new alloy wheel, as I thought it likely A damaged one of the alloy wheels when they took the wheels off Mr A's car.
- I said it should pay £200 for a hire car, as I thought it likely it would cost Mr A more than £170.

I sent a copy of my email to Markerstudy to Mr R for his comments and he's raised the following further points.

- It took A too long to identify the issue with the track rod end and for Markerstudy to offer a cash-in-lieu settlement.
- He thinks he should get more for the time he used up to sort the locking wheel nuts.
- He thinks Markerstudy should pay for the healthcheck on his car that cost £50, which he had done after it was delivered back to him.
- He reiterated his view Markerstudy should be made to pay the cost of having his car valeted.
- He's asked me to increase the amount for the hire car to £250.
- He's provided some further medical evidence to show that the fact the courtesy car was dirty caused him health problems.

Markerstudy has now also come back with the following further comments from A:

- They contacted Mr R numerous times to arrange the return of his car and collect the courtesy car. And none of these requests were answered. And they simply wanted to bring an end to the matter. I presume from this they are explaining this is why they collected the courtesy car without telling Mr R they were going to do so.
- *'The correct procedure for carrying out a four wheel alignment is to start at the back of the vehicle. Make adjustments to the rear geometry before any adjustments are made to the front. I have attached a clearer image of the geometry report and no adjustments were made to the front. As you can see the total 'toe' for the front is the same before and after. The reason the toe is now showing out on the passenger side front is that the steering wheel is in a different position, hence the different readings'.*
- Their technicians always follow procedures and would have torqued any suspension bolts and wouldn't have overtightened any fixings and damaged any bushes.
- To carry out wheel alignment there is no need to balance the wheels, so the wheels wouldn't have been removed from Mr A's car. The only pre-requisite for carrying out an alignment check is that the tyres are at the correct pressure. They therefore dispute they damaged the locking wheel nuts and the alloy wheel.

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.

It's difficult to know for sure whether A removed the wheels from Mr R's car. But, I have to decide what's most likely to have happened based on the evidence. On the one hand I have a testimony from Mr R that there was nothing wrong with the locking wheel nuts on his car or the alloy wheels. On the other hand I have a testimony from A saying they didn't remove the wheels. If they didn't this means that Mr R is lying about the locking wheel nuts and I think that is highly unlikely. And I also need to bear in mind that – according to Markerstudy's records - A said the steering rack was damaged on Mr R's car, when it doesn't seem it could have actually known this was the case. It knew a track rod end had been heated up and there was a chance this had damaged the steering rack, but – as far as I know – it hadn't taken the steering rack apart to check this. And it should have known heating up a track rod end wouldn't necessarily cause damage to the steering rack. Also, A has claimed they didn't give Mr A a disclaimer to sign saying his car was a write off, whereas Mr R has provided a copy of the one they did actually provide to him. And for me, this suggests their testimony is less reliable than Mr R's. Bearing all this in mind, I've concluded it is most likely that A removed the wheels on Mr R's car and damaged the locking wheel nuts and alloy wheel in doing so.

I also think this shows it is most likely A also damaged the suspension arm bush. I say this because if A took as little care as it seems they took when removing the wheels, it also seems most likely they failed to take reasonable care when tightening the nut that I understand holds the suspension arm bush in place.

This means I think Markerstudy should cover the cost of replacing the locking wheel nuts, the suspension arm bush and the cost of a new alloy wheel. Mr R has provided an estimate from a BMW specialist for the alloy wheel of £580, inclusive of VAT. But he has explained he paid a bit more than this and has provided an invoice to show he paid this. But, he accepts he could have used the BMW specialist and that he should only receive £580, which I think is fair. It cost Mr R £103.51 to have the locking wheel nuts removed and replaced and £201 to have the suspension arm bush replaced and the tracking redone after this. So, I think Markerstudy should pay a further £884.51 to cover these costs. It also remains my view that Markerstudy should pay a further £100 for the distress and inconvenience Mr R experienced

as a result of these issues. I appreciate he says he lost an afternoon's work getting the locking wheel nuts sorted out, but it was his choice to spend work time on sorting this problem. I appreciate he may well argue he had little choice, but I still think it is more appropriate for me to award compensation for distress and inconvenience for this than it is for me to award for loss of income.

I still think A made far too much of the fact that track rod end had been heated up on Mr R's car. And this perhaps led to Markerstudy deciding to make a cash-in-lieu offer instead of getting A to repair his car. Although, I'm not willing to speculate on A's reason for doing so. And, I have to balance this against the fact that it was Markerstudy's right under the policy to pay cash, as opposed to arranging the repair. So, taking this all into account, I think a further payment of £200 for the distress and inconvenience Mr R experienced around this issue is fair and reasonable.

Bearing in mind I don't find A's testimony reliable; I've also decided to award Mr R the cost to him of having his car valeted. This is because I've no real reason to doubt his testimony that it came back dirty and he would most likely not have had to pay to have this done if this hadn't been the case. This cost him £141.60. I'm not going to award any more for the fact that Mr R had the car sanitised, because he had this done without checking with A whether they'd done this. But, equally I think A should have told him they had done so. So I still think £50 for this is fair.

I'm not awarding more for the outstanding repairs than I suggested in my provisional decision, as I think Mr R should have had enough to get all the repairs needed completed if he receives a further £1,070. But if they cost more than this he will need to present the evidence of this. And Markerstudy should consider the evidence and pay more if the additional cost seems unavoidable and reasonable.

I think it is reasonable for Mr R to get back the cost of the health check he had carried out on his car. This is because I appreciate his concern about it after he heard a bang when it came off the transporter when it was returned to him and the problems he'd had with A. Mr R paid £50 for this. I don't think I've actually seen documentary evidence of this, but accept his testimony on it.

I don't think Mr A should get anything for a hire car whilst his car was in for repair. This is because Markerstudy was entitled to offer a cash settlement and this would never have led to it covering hire car costs. Neither do I think Mr A should get any of his premium back. I appreciate he couldn't use his car for a period of time. And perhaps this was longer than should have been the case. But – under the terms of his policy the full premium is payable in the event of a claim even if the policy is cancelled early. Therefore, I don't think it would be fair for me to make Markerstudy pay any of the premium back when it has paid out a substantial amount on Mr R's claim. Plus, Mr R would always have had to pay this premium even if his car had been repaired quickly by A, so I don't think he's lost out financially in terms of premium.

I'm satisfied £200 is enough to cover the cost of a hire car whilst Mr R's car is back in for repairs to be completed. It gives him some flexibility and it is what I think is fair and reasonable in the circumstances.

I appreciate that A contacted Mr R several times to try to get him to return their courtesy car. But, this doesn't mean it was right for them to simply turn up at his home and take it without telling him. So, I think the distress and inconvenience he experienced as a result of this still needs to be reflected in the overall award I make.

I've considered the further evidence Mr R has provided on his health issues. However, I

think this sort of issue was really an unforeseeable consequence of a dirty hire car. Therefore, I think it would be quite harsh for me to award more compensation for it when someone's health and why they might suffer following an allergic reaction is so difficult to pinpoint. Clearly, Mr R experienced some distress as a result of the problem with the courtesy car and all the other issues he experienced. But I still feel that the compensation of £500 I suggested in my provisional decision, along with the further £300 I am now suggesting for the issues Mr R had around the steering rack with A and the damage to the wheels on his car is enough overall.

Putting things right

For the reasons set out above and in my provisional decision, I've decided to uphold Mr R's complaint and make Markerstudy do the following:

Pay Mr R a further £1,070 in settlement of his claim.

Pay Mr R £200 so he can get a hire car whilst his car is in for further repairs to be carried out.

Pay Mr R £800 in compensation for distress and inconvenience.

Pay Mr R £50 towards the cost of having his car cleaned.

Pay Mr R £209 for the air conditioning service.

Pay Mr R £884.51 for the replacement of the alloy wheel, the locking nuts and the suspension arm bush.

Pay Mr R £141.60 for the valeting of his car.

Pay Mr R £50 for the healthcheck he had carried out on his car.

My final decision

My final decision is that I uphold Mr R's complaint and order Markerstudy Insurance Company Limited to pay him what I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 12 April 2022.

Robert Short
Ombudsman