

The complaint

Mr B complains that Advantage Insurance Company Limited (Advantage) failed to provide a courtesy car in a timely manner after he made a claim under his motor insurance policy.

What happened

In November 2021 Mr B's catalytic convertor was stolen from his car. He made a claim to Advantage the following day and it instructed a garage to carry out the repairs. Two days after the garage had been instructed Mr B found out there would be a long delay. He contacted Advantage and it instructed a different garage to carry out the repairs.

It took around nine days from Mr B first contacting Advantage until he was provided with a courtesy car. He explains he needed a car for commuting to work, taking his children to school and other daily tasks. He also says it was his daughter's birthday the weekend after the claim was reported – and this meant several journeys by car were necessary.

Mr B hired a car for three days covering the weekend of his daughter's birthday. This was prior to receiving the courtesy car from the garage carrying out the repairs. He paid £194.98 for the hire car and asked Advantage to refund this payment.

Advantage says there was a delay in getting Mr B's car onsite with an approved repairer. This delayed the provision of a courtesy car. It says when the garage was instructed it expected Mr B's vehicle to be onsite within two days. A courtesy car would then be expected to be provided within 24 hours of this. Advantage says a courtesy car was provided three days outside of its expectation. Because of this it paid £30 compensation to Mr B.

Mr B didn't think this was fair and referred his complaint to our service. Our investigator upheld his complaint. He thought Advantage should pay the cost of Mr B's hire car, plus interest, because of the delay in Advantage arranging for his car to be repaired. He thought a further £20 compensation payment was fair to acknowledge the worry he experienced.

Advantage didn't agree. It says Mr B would have been entitled to a "Class A" type of vehicle. It says the one Mr B hired was more expensive than he was entitled to receive through his policy. Our investigator didn't think Advantage had shown Mr B could've paid less than he did – and thought the business should be responsible for refunding the cost of the hire car.

Advantage didn't agree to this and asked for an ombudsman to review the complaint. It has been passed to me to consider.

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.

Having done so I have decided to uphold this complaint. Let me explain.

I have read Mr B's policy terms to understand what is expected when a claim is made requiring a repair, and what this means for the provision of a courtesy car. The terms say:

“You’ll get a replacement car while your Car is being repaired. (see ‘About the replacement car service’ for conditions).”

And:

“About the replacement car service:

The replacement car service is only available if you use your Insurer’s Nominated Repairer

The service is only available while your Car is being repaired

The replacement car will usually be a group A vehicle, such as a Ford Ka.”

The terms don’t specify how long it should take to arrange for repairs. In this case Advantage says it expected Mr B to be in possession of a courtesy car within around three days from it instructing the garage to repair his car. I think this is a reasonable expectation. But in this case the first garage couldn’t repair the car until much later, and the second garage was slower than Advantage says it would expect.

Mr B made his claim on a Sunday. Advantage says the garage was then instructed the next working day. I think this was fair. On Wednesday the alternative garage was instructed. It wasn’t until Tuesday the following week that the garage provided a courtesy car. Based on Advantages expectations Mr B should’ve had a car by the latest on Thursday, in the first week after his claim. He arranged his own car hire to cover the weekend and the following Monday. I think it’s reasonable that Advantage covers this cost.

I think it’s also reasonable that Advantage compensates Mr B for the two days when he should’ve had a courtesy car but didn’t, on Wednesday and Thursday in the week after he claimed. We consider £10 per day a reasonable amount to compensate for the loss of use of a car. So, I think a payment of £20 is fair.

I have thought about Advantage’s view that Mr B was entitled to a cheaper car than the one he hired. It has supplied a screen shot from a hire company that shows the cost of a suitable car for around half the price Mr B paid. The policy terms confirm a “*group A*” vehicle will be provided whilst repairs are being carried out by the nominated repairer. From Mr B’s invoice, he hired a larger vehicle than would usually be provided in these circumstances.

I have looked online to see what it would cost to hire a group A car for the same period. This is from the hire company Mr B used. The cost is approximately the same as Mr B paid. I acknowledge Advantage has shown a cheaper rate using a different company. However, prices can fluctuate, and Advantage hasn’t shown a cheaper car was available at the time Mr B arranged the hire. It might have been possible for Mr B to have arranged a cheaper hire – but I don’t think Advantage has reasonably shown this was definitely the case here.

I have considered the impact on Mr B in not having the use of a car for commuting, driving his children to school as well as the birthday arrangements that required several car journeys. I can understand why Mr B felt stressed and anxious at this time. He also refers to paying for taxis whilst he was without a car. I haven’t seen evidence of these costs, but I acknowledge Mr B will have needed to make alternative transport arrangements.

In the circumstances I think a compensation payment of £50 to acknowledge the stress and worry Mr B was caused is reasonable. This is to include the £20 payment for the two days without a courtesy car. Advantage has already paid £30 so this should be deducted from the payment owed.

In summary, I don't think Advantage treated Mr B fairly in the delayed provision of a replacement car. It should pay the cost of the hire car he arranged. It should also pay a total payment of £50 to compensate for the period when no replacement car was available and for the inconvenience and distress caused.

My final decision

My final decision is that I uphold this complaint. Advantage Insurance Company Limited should:

- pay Mr B the cost of his hire car plus 8% simple interest from the date this was paid until the payment is provided - if Advantage considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and
- pay a total of £50 compensation for the distress and inconvenience Mr B was caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 June 2022.

Mike Waldron
Ombudsman