

The complaint

Mr C says the approved repairer appointed by U K Insurance Limited ('UKI') took far too long to repair his van when he made a claim on his commercial motor insurance policy.

What happened

After Mr C told UKI his van had been damaged in an accident, it instructed 'garage A' to collect it on 19 May 2021 - but the van wasn't picked up for a week. When Mr C queried progress later on, he was told the work on it would start on 3 June 2021. After a further week, he was told more stripping of the van had to be done and that parts were on order. He became very concerned about how long the repairs were taking. Mr C thought the van should have been written-off, given the damage to it. And as he needed the van in order to work, he had to pay to hire a vehicle whilst it was off the road.

When Mr C called UKI on 23 June 2021 for an update, it said the parts needed for the repair (including a part ordered on 11 June 2021) had arrived. The garage's estimated completion date had been 30 June 2021 – but its jig was needed to repair the van, and it said other vehicles had to use the jig first. So the van's engine wasn't removed until after 5 July 2021. The repair completion date was set back to 16 July 2021. After the work involving the jig was finished, that date was moved back to 30 July 2021, as painting and refitting had to be done. In the end, the car wasn't at the final (valeting) stage until 17 August 2021.

One of our investigators reviewed Mr C's complaint. He noted that UKI had agreed the garage's contact with Mr C was lacking and had offered him £50 compensation. But it didn't accept that there had been undue delay with the repairs. It said there were unavoidable delays whilst the garage waited for parts – and that as it was dealing with multiple vehicles at the time, the jig was in demand. UKI said it wasn't unusual for completion dates to be set back, and that further damage to the van was found once repairs were started.

The investigator thought UKI should pay Mr C a further £200 compensation – as well as reimbursing him around £1,400 for hire on the 27 days of avoidable delay he'd identified. The investigator said the hire charges would have been lower had Mr C been able to book a vehicle monthly, not weekly. But poor contact from the garage and no certainty about the completion date had prevented him from doing that. UKI agreed to pay the extra compensation, but it didn't think it was reasonable for it to refund the hire charges. Instead, it proposed paying Mr C £10 per day for 27 days for the loss of use of his van.

Mr C declined UKI's offer, so the complaint was passed to me for review. I issued a provisional decision along the following lines:

- I didn't think there was anything to show that UKI's engineer made the wrong decision in deciding not to write off the van
- I noted the unexplained delay of a week in collecting the van for repairs, and I thought there was a further five-day period after that in which nothing was done by the garage. In addition, I thought half of the 14-day delay in getting the van onto the jig was probably avoidable had the garage planned its work efficiently. I thought that Mr C's repairs should have been prioritised, given the previous delays and the fact

that he needed the van in order to work. So I said UKI should compensate him by paying his hire costs (plus interest) for 19 days

- I also said UKI should pay Mr C a further £100 (£350 in total) for the distress and inconvenience caused by the delays and by the garage's poor communication

I asked the parties to comment on my provisional decision. Both UKI and Mr C accepted it.

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.

As both parties agreed with my provisional findings, there's no reason to change them. So, for the reasons stated above, I think it would be fair and reasonable for UKI to pay Mr C £350 in total for distress and inconvenience and refund 19 days hire costs, plus interest.

My final decision

My final decision is that I uphold this complaint. I require U K Insurance Limited to do the following:

- Pay Mr C a further £100 (£350 in total) for distress and inconvenience
- Pay Mr C's hire costs for 19 days, in line with the receipts he has provided
- Add interest to the payment refunding the hire costs, at the simple yearly rate of 8%, from the date of hire to the date of settlement

If UKI thinks it's required by HM Revenue and Customs to withhold income tax from the interest, it should tell Mr C how much it has taken off. It should also provide a tax deduction certificate if required, so he can reclaim the tax if appropriate

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 July 2022.

Susan Ewins

Ombudsman