

The complaint

Mr W is unhappy with U K Insurance Limited (UKI)'s handling of his car insurance claim.

What happened

Mr W was involved in a car accident and made a claim on his policy with UKI. The policy would provide a courtesy car while his car was being repaired. UKI instructed a company, I'll call A, to provide Mr W with a hire car. It told Mr W to organise the pickup and drop of his car for repairs with the garage.

Mr W arranged for his car to be picked up and for the courtesy car to be provided on the same day. However, while his car was picked up, the courtesy car wasn't supplied. Mr W says he phoned both UKI and A, but neither company provided assistance. So, Mr W arranged to collect his car back from the garage.

Mr W complained to A as he wasn't happy with the service he'd received. A refunded the cost of the taxi and fuel costs he's incurred in picking up his car. It also offered him £200 in compensation, but Mr W rejected its offer and raised his complaint directly with UKI. UKI upheld the complaint, but it thought the offer A made was fair and reasonable.

Mr W brought his complaint to us because he says UKI failed to provide him with a service both in arranging the courtesy car and rectifying A's mistakes. He thinks UKI, as his insurer, should take responsibility for the complaint and not A.

Our investigator didn't think the complaint should be upheld. He thought UKI could have been more accommodating and done more to ensure a car was ready on the date Mr W's own car was going into the garage. He agreed UKI could have communicated information better with Mr W. But he thought the apology and monetary award was fair compensation.

Mr W didn't agree and asked for an ombudsman's decision. He said UKI didn't apologise and the compensation was offered by A not UKI.

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 agree with the outcome our investigator reached and for similar reasons.

It's not uncommon for an insurer to outsource parts of the service it provides to a third-party business. As his insurer, UKI was ultimately responsible for dealing with Mr W's complaint. However, it has confirmed A were acting on its behalf as its agents. And it's not unreasonable UKI asked A to respond on its behalf, given A was the one who provided the service so was best place to respond. So, I'm satisfied the offer A made Mr W was made on behalf of UKI. Nevertheless, I can see UKI did respond to Mr W's complaint and apologised in its letter to him.

There is no dispute that mistakes were made in the handling of Mr W's claim. UKI already

acknowledged there were errors in the provision of the courtesy car and in the communication with Mr W. So, I've thought about what happened and how it tried to put things right. I appreciate Mr W doesn't agree, but I'm satisfied it's done enough to rectify things, I'll explain why.

Mistakes happen, when they do, we ask the business to put the consumer back in the position they would have been in had the error not occurred, because we want to ensure they haven't lost out because of it. A refunded the cost of the taxi and the fuel costs Mr W incurred. So, I'm satisfied he hasn't lost out financially as a result of its errors.

We do not seek to punish a business for its mistakes, and we wouldn't expect it to compensate for what could have happened. Rather, I would expect UKI to compensate Mr W for the impact its errors had on him. I accept Mr W might have lost his job if he couldn't get to work and that would have caused him concern. However, as he collected his car from the garage the same day, I'm satisfied there has been no impact on his ability to get to work. Therefore, I don't think UKI need to compensate for this.

Mr W explained that he needed 24-hour access to his car to support a relative with serious ill health. So, I can understand why it will have been troubling to find the courtesy car wasn't supplied when it should have been. I think the situation would have put Mr W under a great deal of stress, however I find this issue was resolved in good time and he wasn't left without access to a car for more than a few hours.

UKI acknowledged Mr W was given incorrect information when he was told the courtesy car had been rearranged and would be provided seven days later. UKI said there was a shortage of hire cars available at the time. I think that's a reasonable explanation. It's not clear how this error occurred but I don't think it changes the outcome as UKI already accepts it may have made an error here also. That said, I think it should have informed Mr W if there was a problem and arranged a new date with him in advance, without him having to contact it.

Mr W's car was still driveable, and he was able to use it to get around. A new date was arranged, his car was picked up for repairs and the courtesy car supplied within a few weeks, so I'm satisfied the error was rectified within a short period of time. However, I agree with what Mr W has said, I think UKI could have done more to help him arrange the courtesy car in the first instance, as the terms of the policy indicate it could have done this for him. I also think it could have been more proactive in resolving the problems when they arose. Mr W says he spent five hours trying to sort things out, and I don't think he should have had to. As his insurer, it could have done more to chase things with A and to update Mr W. So, I appreciate the situation will have been frustrating and stressful for him.

However, I think the offer of £200, made by A, is fair compensation in the circumstances of this complaint, and in line with what I would have awarded.

My final decision

U K Insurance Limited has already made an offer to pay £200 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that U K Insurance Limited should pay £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 17 August 2022.

Oluwatobi Balogun
Ombudsman