

## **The complaint**

Mrs M has complained about the way One Insurance Limited (One Insurance) dealt with a claim she made on her motor insurance policy.

## **What happened**

Mrs M made a claim on her motor policy after she discovered that the catalytic converter was stolen from her vehicle while it was parked in a hotel car park. She called her breakdown provider who attended and said she'd have to make a claim on her motor insurance policy.

Mrs M made the claim to One Insurance who arranged for the car to be collected on the same day and to be taken to a garage for repairs.

Mrs M said there were several delays involved in the process. She said there were delays in being provided with a courtesy car, with the car repairs being completed and also that she was the one chasing One Insurance for updates. She complained to One Insurance who offered her initially £100 compensation but later increased this to £250 which included loss of use payments (due to her being without a car) for five days at £10 per day. It also covered the cost of the car's MOT (Ministry of Transport check) which had been due while it was in for repairs.

Mrs M didn't accept One Insurance's offer and complained to us. She said she suffered a loss in her earnings which amounted to £2,700 over the time she was without a courtesy car and wanted One Insurance to compensate her for this. She also wanted to be paid back her train fare from when she travelled home from the location of the incident (£50.80) and to be compensated for the distress she suffered.

One of our Investigators reviewed the complaint and ultimately decided that One Insurance should pay Mrs M her train fare, the £250 compensation already offered and a further £70 (at £10 per day) compensation for the loss of use of her car while Mrs M was without a courtesy car.

Mrs M accepted the view though initially she had said that she should be paid at least for some of her loss of earnings, especially as she was told she would get a courtesy car on a particular day but this didn't happen until five days later.

One Insurance didn't agree. It said the £250 offered was sufficient to cover any delays and loss of use claims. It said it can take up to five working days for it to provide a courtesy car and that this is a reasonable timescale. It added that it should have also been allowed some time to validate the claim before it could agree to provide a courtesy car. But it agreed to pay the train fare. It said it would also agree to make a further £30 payment for loss of use for an additional three days.

One Insurance asked for an Ombudsman's decision and the complaint was passed to me.

## **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 it and to make the same award as that made by our Investigator.

### The policy

Mrs M's policy covered her for loss or damage due to an accident, fire or theft. In the case of theft, the policy would cover the repairs and replace what was lost. The policy requires Mrs M to report the claim to her insurer and says that once repairs are authorised One Insurance would pay the reasonable cost of removing the car to a repairer and returning it to Mrs M after it was repaired.

The policy also covers the cost of travel to an onward destination should the insured be unable to continue with their journey. The policy pays up to £100 per person and up to a maximum of £500 for all occupants and covers the cost of travel expenses, hotel accommodation etc.

The policy also states that if the insured has comprehensive cover, like Mrs M did, One Insurance would provide her with a temporary replacement car while their car is at one of its approved repairers.

### The claim

One Insurance agrees that this was a valid claim and it also agrees that Mrs M was entitled to a courtesy car as her car was at one of its approved repairers. It has already offered Mrs M compensation for the delays she experienced and for the loss of use of her car. So I will now go on to consider whether the compensation One Insurance has offered so far is fair and reasonable.

The incident took place on 1 March and Mrs M reported it to One Insurance on the same day. Her car was collected on the same day but Mrs M said she was told that a courtesy car wouldn't be available until her claim was validated so she made her own way home. She paid £50.80 to get the train home and provided a receipt for this. The claim was validated on 3 March and Mrs M was provided with a courtesy car on 15 March after initially being told this would be available on 10 March. One Insurance completed the repairs and returned the car on 30 March after also carrying out the MOT.

Mrs M said there were delays in the repairs being carried out and in her being provided with a courtesy car. She also said she had to chase One Insurance for updates on several occasions and that she was told on several occasions by One Insurance handlers that she would get a call back but this didn't happen.

One Insurance does not dispute that there were delays but it says these were partly down to lack of availability of courtesy cars. It also said that the repairs were delayed due to the garage having to wait for spare parts. So I don't think it would be fair to hold One Insurance responsible for all the delays but this doesn't mean Mrs M isn't entitled to compensation.

One Insurance said it wouldn't have been able to provide a courtesy car until the claim was validated and that there is also a five working day time frame within which it has to provide a courtesy car. As our Investigator said this is not in its policy terms and the terms state that a replacement car will be provided. One Insurance said a five day time scale is reasonable. I appreciate that courtesy car availability can sometimes vary and that it isn't always possible for the insured to be provided with one as soon as they need it.

Nevertheless, if a policy allows for the provision of a courtesy car while the insured's car is at the insurer's approved repairer, I would expect this to be provided when the insured's car goes in for repairs. And if that is not possible, I would expect the insurer to offer to cover the insured's travel expenses or to make a loss of use payment.

One Insurance made a five day loss of use payment (between 10 and 15 March) but I don't think that is enough. Our Investigator said loss of use should be paid for a further seven days which I think, on the whole, is fair bearing in mind Mrs M had the courtesy car by 15 March and also that she is being refunded the travel expenses she incurred on 1 March. One Insurance later said it would agree to pay for loss of use between 7 March and 9 March as well as the £50 already offered. It said if loss of use is awarded before 7 March this would mean it only had one day to validate the claim. Ultimately the claim was validated on 3 March and One Insurance agreed to cover it. I think it follows that Mrs M had a valid claim from 1 March and should have the benefit of her policy cover from that day onwards.

Mrs M said she is self employed and travels around the country for work and is therefore very reliant on her car. She said that she was not able to work for 14 days while she was without a car and she has provided a letter from a company she works with saying she lost £2,700 over those 14 days. I appreciate the difficulties Mrs M faced but I do not think this is something One Insurance has to compensate her for. Firstly, this is not something that would be covered under the policy. Secondly, the absence of repair parts which delayed the repairs and the lack of availability of courtesy cars I think were most likely outside One Insurance's control. Our Investigator asked Mrs M if she tried to make other arrangements to get to work and she said she looked into hiring a car but as this would cost half her pay rate she did not think this was something worth while. I appreciate what Mrs M says nevertheless I do feel that, in the circumstances, it would have been possible to mitigate her losses by hiring another car or making other travel arrangements so she could get to work. And if she had done that, I could potentially have considered asking One Insurance to cover those costs if they were reasonable. But as this was not the case, I will ask One Insurance to compensate her for the loss of use of her car instead.

As I said above, One Insurance has agreed to pay the £50.82 train fare so I will not consider this further.

One Insurance has also offered £200 compensation for the distress and inconvenience it caused Mrs M. Bearing in mind the delays and the fact that Mrs M had to do most of the chasing, and the disappointment of not having the courtesy car on 10 March I think this is fair and reasonable.

### **My final decision**

For the reasons above, I am upholding this complaint and I require One Insurance Limited to pay Mrs M the following:

- £50.80 for her train fare plus 8% interest per year simple from the date the fare was paid to the date it makes the payment;
- £250 compensation for loss of use and distress and inconvenience as already offered;
- £70 further loss of use payment;
- The cost of the MOT which it already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 20 January 2023.

Anastasia Serdari

**Ombudsman**