

The complaint

Ms P complains that after she made a claim on her motor insurance policy, Royal & Sun Alliance Insurance Limited ('RSA') didn't ensure her car was repaired in a reasonable time and that the communication about the repairs was poor.

What happened

Ms P's car was recovered a week after being stolen in September 2021. It appeared to have little damage other than two areas where units had been removed and wires were left exposed. Through RSA's motor repair network, the vehicle was sent to 'garage N' for repair. It isn't clear what happened over the next few months, and the garage's contact with Ms P was very poor, despite her chasing it for updates. But it appears that the garage wasn't sure about all the parts that needed to be ordered in order to do the repairs.

Ms P complained to RSA. In its final response letter to her in January 2022 it accepted that the garage hadn't been proactive and that it should have updated Ms P. It said a part was still needed and that the vehicle would be going to a dealership garage ('garage G') in February 2022 so it could identify the part. RSA offered Ms P £200 compensation for distress and inconvenience and said the garage would update her on progress.

Ms P complained to us in March 2022 when the vehicle still wasn't repaired after six months. She said she'd been told garage G didn't want to deal with it – although it was still with that garage. Meanwhile, Ms P had made a further complaint about garage N to RSA. She said although most of the parts had been on site for at least three months, the garage wouldn't tell her what work (if any) had been done or when the repairs were likely to be completed.

RSA had chased the garage for a progress report in December 2021 and had been told that all the parts (except one) were on site. In January 2022 RSA asked it to update Ms P - but that didn't happen. So it chased the garage again for an update. Garage N wasn't able to provide one to RSA initially. Later, it said garage G had failed to identify the part that was needed. So RSA called garage G on 10 March 2022. It said the vehicle had been ready to collect by garage N for 13 days, as garage G wasn't prepared to touch it. When asked by RSA, garage N then confirmed that work other than the limited work it had hoped garage G would carry out still had to be done on the vehicle.

At this point, RSA assigned the case to its 'resolver' team and it seems that an independent engineer was appointed to assess the vehicle on garage G's premises. Ms P visited the site on 22 March 2022. She took photos and videos that showed the vehicle to be dirty and in very poor condition, with exposed cables, a missing windscreen, water ingress, parts strewn about inside it and stained seats. Garage G's representative said it had arrived in that state – and that garage G wouldn't touch it as it had been stripped, with parts torn out. And it said garage N had given no explanation of what the problems with the vehicle were.

Ms P thought it should be written-off, given the deterioration in its condition, added to the original damage. But RSA told Ms P on 4 April 2022 that for that to happen, the repair costs would have to exceed £37,000.

Meanwhile, the independent engineer had inspected the car. He was also told by garage G that the car was in poor condition when it arrived on 25 February 2022. The engineer then contacted garage N, to be told that it had problems in ordering a part (having ordered the wrong one several times) so it wanted garage G to identify the correct part – as well as working on the windscreen, the headlining and recoding. The independent engineer thought the repair costs would be around £6,000 (subject to other damage being found). He said garage N should put pressure on garage G to identify the correct part, but meanwhile it should take the car back and ‘build it up’.

Three months later, on 20 June 2022, RSA told our investigator that the repairs were almost completed. But Ms P visited the garage the next day to find that the vehicle was still in a very poor state and hadn’t been worked on recently. We updated RSA, and it then said the garage’s new expected completion date was 4 July 2022 – although that might change.

Ms P said she was shocked and appalled by the ongoing lack of progress (10 months after her vehicle first went to garage N) by the fact that the car’s footwell was now full of water, *and* that her request for the garage to give her details / photos of any work that had been done (plus a log of all her calls to it and a list of faults with the car) was ignored.

The investigator reported the current position to RSA and issued her view. She said RSA was ultimately responsible for garage N’s actions, and as there had been unreasonable delays, RSA should pay Ms N a further £350 for distress and inconvenience (£550 in total). The investigator said RSA should also ensure that the remaining work was completed in the next two weeks. RSA agreed to pay the extra compensation, but it said no-one could say how long the repairs would take. It said parts would have to be ordered for the ‘extra’ work that needed to be done – and that the vehicle was currently with another firm (‘garage D’) so the problems with the electrics could be assessed.

The investigator said RSA should have been more proactive, as the evidence showed that work wasn’t done on the car even after all the parts were received. She queried why the electrics weren’t assessed previously, when that was the initial problem with the vehicle – especially as garage D had now said it might have to order parts. And she pointed out that the new damage was the result of the way the vehicle had been treated by garage N. She said any *further* delays would be dealt with as part of a new complaint.

Ms P said she wasn’t happy to accept the situation where the completion date for repairs remained open-ended after 10 months. So the complaint was passed to me for review.

I issued a provisional decision as follows:

From what I’ve seen, it looks as though RSA hasn’t done enough to ensure Ms P’s claim was dealt with efficiently and that garage N has been allowed to mismanage the repair process. Despite a request from Ms P for a timeline / list of the work done by garage N, it still hasn’t been provided, so it’s unclear what the garage has actually done during the many months the car was in its possession. All the parts (except one) had arrived by December 2021, according to the report given to RSA by the garage. Yet it looks as though no repairs were done for the next few months – and the vehicle was allowed to deteriorate.

RSA blames garage G’s processes for part of the delay – and its lack of help in identifying one of the parts – as well as the fact that Ms P had to get a V5 registration document from the DVLA. But I think by far the major part of the ongoing delay was due to a lack of action on garage N’s part, plus the failure of RSA to establish what was going on at the garage and move things along - or to have the car taken elsewhere.

The initial damage seems to have been modest, and the photos taken by Ms P show that the car was in a far worse state in June 2022 than it was in when recovered by the police in September 2021. Garage G says it was like that in February 2022, which is why it decided not to assist. It isn't clear why garage N removed the windscreen – or why, after that was done, the car was left outside. But the ingress of water has caused further damage.

I can see why Ms P is so upset by what has happened to the car – and by the fact that the repair process has been allowed to drag for so long. I think it's very surprising that the car was recently referred to a different garage for the electrics to be assessed and repaired, when it appears that was the initial problem with the car. And the new damage (caused by garage N's actions) has only added to the repair time.

Although Ms P's been in hire since September 2021, the hire car doesn't give her the space that suits her family's needs. So in my opinion, Ms P has faced a significant amount of ongoing inconvenience from that alone. She's also had to struggle to get any answers from garage N, causing her further inconvenience and upset. Although I can see that RSA has tried to update Ms P (and that it also asked the garage to do so) I think the updates she's had have been inadequate. And she's been given inaccurate information about expected repair completion dates (as have we).

Given the length of time the process has taken, the lack of any proper communication with Ms P, and the extra damage caused to the car, I think it would be reasonable for RSA to pay Ms P the car's pre-incident market value, so she can move on. When the car is finally repaired, RSA can sell it and recoup its outlay. I don't think it's reasonable to expect Ms P to have to continue to face ongoing repairs with an open-ended completion date whilst she continues to drive a smaller car than she should be driving.

I also think RSA should pay Ms P £750 in total to reflect the level of distress and inconvenience she's faced since September 2021. That includes the impact on her of the very poor contact from the garage, the time she spent chasing the garage for updates, the false promises made to her about calls back and repair completion dates, and the great upset of seeing her car deteriorate significantly whilst under garage N's control.

I asked the parties to comment on my provisional decision within two weeks. Ms P accepted it. On the day the date for a response expired, RSA asked for a two-week extension to reply. It said the case was complex and that “We should be in a position to confirm how we will deal going forward in the next two weeks.”

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.

Given the time that has passed whilst Ms P has waited for progress on the claim - let alone a date for the finalisation of the repairs - I don't think it's reasonable or fair to her to allow RSA yet more time. The wording of the request for an extension appears to show that there's still no definite plan in place but that there “should” be progress soon. I don't think that's sufficient at this point to justify a further delay.

The investigator corresponded with RSA in July 2022 (following the issue of her view upholding the complaint). I think she made it clear that the delays - and the ongoing lack of a date for the completion of repairs – weren't acceptable and that RSA hadn't been proactive. I think it would have been reasonable for RSA to have taken immediate steps at that point to reassess the claim's lack of progress and take control of the situation, in order to limit further distress and inconvenience to Ms P. But that doesn't appear to have happened.

As RSA hasn't provided any information for me to consider that might have led to a change in outcome, I don't intend to depart from my provisional findings - the reasons for which are set out above.

My final decision

My final decision is that I uphold this complaint. I require Royal & Sun Alliance Insurance Limited to do the following:

- Pay Ms P the car's pre-accident market value within 14 days of her accepting this decision (if there's a valuation dispute, it should provide an interim payment)
- Pay Ms P £750 compensation for distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 29 November 2022.

Susan Ewins
Ombudsman