

The complaint

Mr R complains about how Skyfire Insurance Company Limited handled his motor insurance claim.

References to Skyfire include its agents.

What happened

In October 2021, Mr R made a claim under his motor insurance policy with Skyfire after damaging his car in an accident.

Skyfire arranged for the vehicle to be repaired by one of its authorised repairers. However, it wasn't picked up on the day agreed which meant that Mr R lost a day's annual leave from work.

Mr R complained about the time he was waiting for repairs to be completed and a lack of communication from the repairer. After the car was returned to him, Mr R raised some further concerns. He said there wasn't much fuel in the tank, the vehicle hadn't been cleaned or sanitized and the battery appeared to be disconnected.

Mr R reported an electrical issue and wheel vibration. Skyfire authorised for one of the car's manufacturer's dealerships to determine the cause of the electrical fault. Skyfire said the faults couldn't be linked to the circumstances of the accident. But Mr R disagreed.

Skyfire suggested Mr R arrange for the vehicle to be taken to a garage of his choice to provide an assessment and estimate of costs for damage as a result of the accident or deemed rectification of the original repairing garage. It said it would consider covering costs.

The vehicle went to the manufacturer's dealership in May 2022 for diagnostics and was returned for further investigations and repairs. There were numerous emails and calls between Mr R, Skyfire and various other parties involved. Mr R says he delayed booking a holiday and wasn't able to book airport parking because of concerns about how long he would have the hire car Skyfire had provided. Mr R said he was told Skyfire would pay for the repair of his air conditioning unit but Skyfire disputed this.

Eventually, Skyfire agreed to pay Mr R cash in lieu for all the repairs to his vehicle, including the air conditioning unit. It provided him with a hire car until the repairs were completed. It also offered him £750 compensation for distress and inconvenience, which was in addition to previous payments it had made.

Mr R didn't think Skyfire's offer was enough to put things right. Our investigator looked into his concerns and thought Skyfire's offer was fair and reasonable. She acknowledged that the situation had been stressful for Mr R. But she considered the £750 on top of £575 Skyfire had already paid Mr R (for distress and inconvenience) was enough to put things right.

Mr R disagreed with our investigator's outcome. He said £300 of the compensation Skyfire had already paid him was because of poor communication and wasn't to do with the repair of the car.

Mr R said he'd had to delay booking his holiday because Skyfire kept changing the dates his car would be available. Although it had reimbursed him for parking, it hadn't compensated him for the extra £400 he'd had to pay for him and his partner's holiday because he hadn't booked it earlier.

Mr R said he'd had to take his car to four different repair centres himself because he didn't want them taken on low loaders because of the risk of further damage. He said this had saved Skyfire around £1,600 but it had refused to compensate him for his time.

So, Mr R's complaint has been passed to me to decide.

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've reached broadly the same conclusions as our investigator. I'll explain why.

I'd like to reassure Mr R I have considered all his points, even if I've not addressed each of them individually. I've focused on what I believe is most relevant to the outcome of his complaint.

The relevant industry rules say that an insurer should handle claims promptly and fairly.

Skyfire has acknowledged that Mr R's overall customer experience wasn't good. It says communication throughout the repairs was poor and confusing. Skyfire says it wasn't clear that the issues with the air conditioning were incident or repair related. However, it agreed to pay for these as there was an element of doubt and Mr R had the expectation that the work would be done.

From what both parties have said, I understand all of the repair and rectification work was completed by September 2022. Skyfire says it made cash in lieu payments to Mr R to the value of the invoices he provided, and it gave him a courtesy car throughout this process.

Skyfire has made various payments to Mr R over the course of his claim, including reimbursements for costs plus around £575 for distress and inconvenience. Its offer of £750 brings the total amount of compensation for distress and inconvenience up to £1,325.

Mr R has commented that some of the compensation he'd received was to do with customer service from one of Skyfire's agents and wasn't to do with the car repair. As the insurer, Skyfire is responsible for any issues relating to the handling of the claim. So, I've looked at everything as a whole and considered the total amount of compensation Mr R has been paid and offered in relation to the handling of his claim – whether it was for issues with the repairs of his car or the customer service he received.

I appreciate Mr R feels that Skyfire should pay him the extra £400 it cost him for his holiday because he booked it later than he'd wanted to. I understand why Mr R might have wanted some certainty about when his vehicle would be returned before booking the holiday. But ultimately it was his decision to book the holiday he did when he did. I don't think it would be reasonable to tell Skyfire to compensate him for any financial loss he might have incurred.

However, I have considered this as part of the overall impact of Skyfire's handling of the claim because I do recognise that this was part of the distress and inconvenience Mr R experienced.

Mr R has also commented that he had to take his car to four different repair centres himself, because of his concerns about further damage if it was taken on a low loader. However, it was Mr R's decision not to accept Skyfire's offer to pay for the vehicle to be delivered to and from the repair centres. So, I'm not persuaded Skyfire needs to compensate Mr R for the time it took him to do this.

Although Skyfire eventually agreed to pay Mr R cash in lieu for the repairs and rectification work to be carried out, it wasn't fully completed until almost a year after he made his claim. I think the claim would have concluded much sooner if effective repairs had been completed to begin with.

I'm persuaded that there was serious disruption to Mr R's daily life over the duration of the claim. He spent a lot of time emailing and phoning various parties. He had to arrange repairs himself and take his car to the repair centres. There was a substantial amount of distress and worry relating to the repairs and duration of car hire. I can also see that Mr R raised concerns about the suitability of courtesy cars. He said he couldn't fit in a double buggy for his grandchildren which had an impact on childcare and family gatherings.

Mr R has made several other comments about the impact delays and poor communication have had on him and I've considered all of these. However, Skyfire's offer to pay Mr R an additional £750 would bring the total amount of compensation for distress and inconvenience in line with what our service would typically award under the circumstances. And, while I know my answer will be disappointing for Mr R, I think this fairly recognises the impact of Skyfire's mistakes on him.

Putting things right

Skyfire should pay Mr R £750.

My final decision

Skyfire Insurance Company Limited has already made an offer to pay Mr R an additional £750 to settle the complaint and I think this offer is fair in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 16 December 2022.

Anne Muscroft
Ombudsman