

The complaint

Ms B complains about how Royal & Sun Alliance Insurance Limited trading as More Than (RSA) dealt with a claim under her motor insurance policy.

What happened

Ms B's car was damaged by machinery while in an automated car wash. She made a claim for this under her motor insurance policy. RSA arranged for her car to be repaired by one of their recommended repairers and told her she would get a courtesy car while the repairs were being carried out. Ms B paid the £450 excess due under her policy for the repairs to be carried out.

Ms B provided RSA with a letter from the car wash business which explained they would cover the replacement of windscreen and cover the excess for this of up to £120. The letter states they are doing this on a without prejudice basis.

There was a period of eight days where she was without the use of a car, and one was only provided after she had chased RSA on more than one occasion. She was told by RSA the car would arrive on a particular day and took time off from work to wait in for it, but it didn't arrive and so she had to chase RSA who arranged another delivery day meaning she had to stay home from work again.

When the rental car was delivered it had a chip on the windscreen and Ms B was told to avoid driving in potholes so it wouldn't be damaged further. She was also told the rental company would try to replace the vehicle as soon as it could, but this didn't happen.

Ms B complained to RSA about the delays and problems with the hire car. She said she had lost out on earnings for the days she had to stay home to wait for the car to be delivered. As the claim wasn't her fault, she also wanted RSA to give refund the £450 excess payment she had paid.

RSA paid Ms B £96 for the eight days loss of use but didn't investigate the rest of her complaint in the eight-week timeframe allowed to them in the rules set out by Financial Conduct Authority (FCA). So, Ms B brought her complaint to this service as she is entitled to under those same rules.

Our investigator partly upheld Ms B's complaint. In summary she said:

- The £96 loss of use payment RSA had already paid to Ms B was fair and in line with our approach.
- We don't consider loss of earnings but look at things holistically when applying compensation. And given the stress and inconvenience caused by the delays and problems with the arranging of the courtesy car RSA should pay Ms B £200 in compensation.
- Whenever a claim is made under an insurance policy the excess has to be paid, this

can then be recovered from the third party – in this case the car wash. As RSA has yet to be able to get an answer from the car wash as to who their insurer is – they have yet to recover their costs. It's not for RSA to reimburse Ms B's excess payment, but she can, if she chooses to try to recover them directly from the car wash.

RSA agreed with the investigator's findings. Ms B didn't she feels the car wash have already accepted liability in the letter she provided and so she should be entitled to the excess payment back.

The matter has now 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.

I realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean that I've not considered everything that both parties have given to me.

Having read and considered the whole file, I've reached the same outcome as the investigator and for broadly the same reasons. I'll explain, but in doing so I'll keep my comments to what I think is relevant. If I don't comment on a specific point, it's not because I haven't considered it but because I don't think I need to comment on it in order to reach the right outcome.

The loss of use payment RSA has paid to Ms B equates to £12 per day this is in line with what I'd expect and so I consider this to be fair.

There is no dispute between the parties that there were delays and problems relating to the courtesy car. RSA have agreed to pay Ms B £200 for the distress and inconvenience caused by her having to rearrange her work schedule and take time off and I believe that to be fair and reasonable in the circumstances of this complaint.

Ms B had asked for her loss of earnings to be considered, but I haven't seen any evidence that she lost out financially through this. I say that because although she has provided an email from her work to support what she says the email states that she worked from home on one of the days and had time off in Lieu, which suggests the time off wasn't unpaid. So, I haven't considered this point further.

The issue that still seems to be in contention though is the excess payment. I think it might be useful here for me to explain how an excess payment works.

When a claim is made the customer pays a pre-agreed amount of the claim – this is the excess. In Ms B's case the agreed amount is £450. This means she has to pay the first £450 of any claim she makes under the policy regardless of fault.

An excess is an uninsured loss. This means that in the event of a non-fault claim, the insured in this case Ms B has to recover this from the third party or the third-party insurer directly. However, it's common for an insurer to try to claim it back from the third-party insurer on behalf of their customer when they are recovering their own costs – but they don't have to do this.

RSA has been trying to engage with the car wash to get liability settled either directly or to be given information about their insurer. But they are not getting any response. They have said that should they get further with the claim they will include the recovery of Ms B's excess with their own costs and refund it to her. However, they aren't able to guarantee this as they can't be sure they will be able to recover the costs, even if they were to go to court.

I know Ms B feels the letter the car wash sent to her proves they are liable; however, they have said they will pay for the windscreen replacement on a without prejudice basis – this isn't the same as admitting liability and means they could still defend it in court if they choose.

Based on everything I've seen I'm satisfied that RSA have been trying to engage with the car wash to settle the matter and I think what they have said is fair – in that if they are able to get to point of recovering costs then they will include Ms B's excess within that claim. If the car wash continually fails to engage with RSA they will need to make a decision on if they are going to pursue matters through the courts. If things get to that stage, I expect them to consider this in line with the policy terms and taking into account the likely prospect of success at court.

For reasons, I've already explained Ms B's excess is an uninsured loss, and as such RSA doesn't need to refund it to her.

I understand Ms B's strength of feeling around this and I know she will be disappointed with this outcome. But my decision ends what we – in trying to resolve her dispute with RSA – can do for her.

Putting things right

To put things right here RSA should pay Ms B £200 for the distress and inconvenience caused to her throughout the claim.

My final decision

For the reasons set out above, I currently uphold this complaint and I require Royal & Sun Alliance Insurance Limited trading as More Than to carry out the actions as set out under the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 6 January 2023.

Amber Mortimer
Ombudsman