

The complaint

Mr S has complained about the way U K Insurance Limited trading as Privilege (UKI) handled a claim he made under his car insurance policy.

What happened

On 19 May 2022 Mr S's car was stolen but quickly recovered damaged. Mr S wanted to use his preferred garage to carry out repairs as his car was a premium vehicle and still under warranty. UKI as his insurer had no objections to this. Mr S provided an estimate from the garage for the repairs which UKI authorised. Repairs were completed and Mr S's car was ready for collection on 10 June 2022. Mr S was provided with a hire car by UKI.

On 29 June 2022 UKI said it didn't have sufficient information from the garage to settle the repair costs. This meant there was further back and forth between UKI and the garage until UKI received a correctly addressed invoice. Mr S told us he collected his car on 2 August 2022. The hire car UKI provided Mr S with was collected on 4 July 2022.

Mr S complained to UKI about poor service and delays. He was unhappy with the hire car he was provided with.

UKI upheld Mr S's complaints in June and July 2022 for its poor service and delay. It offered Mr S £200 compensation in June 2022 - and increased the offer to £275 compensation in July 2022 for an ongoing delay in contacting the garage about the invoice it needed to settle the claim and failing to call him back when promised. Until the invoice was paid, the garage wouldn't release Mr S's car to him.

Mr S didn't accept UKI's offer and asked us to look at his complaints. Our Investigator initially recommended UKI pay Mr S an additional £100 compensation for the distress and inconvenience caused. She thought it should have extended car hire until Mr S could collect his car from the garage.

Both parties disagreed with the Investigator's first view. Mr S thought he should receive £50 a day for the number of days he was without a hire car. He said he hasn't received any compensation payment from UKI.

UKI said Mr S was only ever entitled to a hire car for a total of 21 days. As it provided a hire car for 43 days - and the delays in settling the invoice after 29 June 2022 were the responsibility of the garage - it didn't agree it should do any more. It said it hadn't made payment to Mr S for compensation as he rejected its offer.

On reviewing the additional information, our Investigator thought UKI had done enough to put things right. So she issued a second view and recommended UKI arrange for payment of the compensation award of £275 it originally offered to be made to Mr S.

UKI accepted the Investigator's second view. Mr S hasn't replied. So the case 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.

I think it's clear that UKI caused delays. It delayed arranging for an inspection of Mr S's car in order to approve the repairs. Mr S's garage provided an estimate on 20 May 2022. Repairs were approved on 7 June 2022. I understand Mr S's car was ready for release by the garage from 10 June 2022.

On 27 June 2022 UKI accepted it had caused delays and offered Mr S £200 compensation. It said it would arrange for payment to the garage to be followed up as a matter of urgency.

However, UKI didn't request a suitable invoice from the garage following repairs until 29 June 2022.

On 4 July 2022 UKI offered Mr S a further £75 compensation for failing to call him back when promised and its delay in contacting the garage for a suitable invoice.

For the delay up to and including 4 July 2022, I think UKI's offer of £275 compensation for the distress and inconvenience caused is enough to put things right.

Mr S's policy with UKI says it will provide him with a replacement car of a similar size to his for up to 21 days, irrespective of how long it takes for repairs to be carried out. It says if it cannot provide a hire car, it will pay either £50 a day or £500 a claim up to the 21 days.

I understand Mr S was unhappy with the replacement car provided. I can see this was a 5 seater SUV. While it wasn't the same engine size or prestige as his car, I'm satisfied that UKI provided a suitable replacement car in line with the terms of the policy. I don't think UKI needs to pay Mr S a daily rate for the period he was without a hire car - as the period he was provided with one exceeded the limit set under the policy. I can see from UKI's notes that from 29 June 2022 there was back and forth between it and the garage to obtain a correctly addressed invoice showing the deduction of the excess so that UKI could settle the costs of the repairs.

I appreciate that Mr S has been caused inconvenience - and I understand he was unhappy with not being able to have use of his own car when it was ready for collection. It's clear that UKI made errors in the handling of his claim. But I think the compensation UKI has offered for its failings in this case is fair and reasonable. So I'm not asking it to do any more.

My final decision

My final decision is that I think UKI has done enough to put things right. I require U K Insurance Limited trading as Privilege to pay Mr S the compensation it offered totalling £275 to resolve his complaints.

U K Insurance Limited trading as Privilege (UKI) must pay the compensation within 28 days of the date on which we tell it Mr S accepts my final decision. If it pays later than this it must also pay interest on the compensation from the date of my final decision to the date of payment at a simple rate of 8% a year.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 February 2023.

Geraldine Newbold
Ombudsman

