

The complaint

Mr L complains that U K Insurance Limited (UKI) didn't provide him with a suitable replacement car after he made a claim on his motor insurance policy. He wants a refund of his premiums and compensation.

What happened

Mr L had paid extra for "guaranteed hire car plus" cover when he took out his policy. When his car was taken for repairs following a claim, Mr L was unhappy with the courtesy car UKI offered him as he thought it wasn't of similar size to his own. When he complained, UKI's agent provided him with a smaller hatchback courtesy car which wasn't replaced. UKI said it had acted within the policy's terms and conditions. But Mr L thought he had been mis-sold the extra.

Our Investigator recommended that the complaint should be upheld in part. He thought the first courtesy car offered was within 10% of the size of Mr L's car. So he thought it was of a similar size and he couldn't see that UKI had mis-sold the policy extra. But he thought the hatchback was very different in size to Mr L's car and he thought UKI should have replaced it. And so he thought UKI should pay Mr L £100 compensation for his trouble and upset.

UKI replied that it had provided Mr L with a courtesy car that was of a similar size to his own and of a higher specification. Mr L replied that the internal dimensions of the first car offered were smaller than his car's, and so it wasn't similar. He said the second car offered was a hatchback when his car was a sedan, and it was much smaller.

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.

Mr L has explained that his complaint isn't about financial reward, but about the principle involved. He thinks UKI didn't provide him with what he paid for and he's also implied that the product may have been mis-sold.

Mr L explained that he bought the guaranteed hire car plus product because of a previous experience where the hire car provided was a small hatchback that didn't suit his needs. Unfortunately, I can't listen to the sales call as this hasn't been retained. But UKI made a record of it in its investigation. And I can see that the call handler told Mr L that he had standard hire car now, but he can change this to "plus" which will give him a "similar physical size to his own instead of a hatchback".

The definitions that apply to Guaranteed Hire Car Plus are set out on page 22 in the policy booklet:

"Hire car – a similar physical size car or van to your car, if such size is available, that is supplied to you by the hire car company on a temporary basis. This car should keep you mobile but may not be the same as your car in terms of its size, type, value or status.

Similar physical size – a hire car up to a Class F for vehicles with 5 seats..."

So I can see that there are limitations on the size of the replacement car due to availability and an upper limit. And I think the call handler told Mr L that he would receive a “similar” car to his own, rather than the small hatchback. And the policy terms were sent to Mr L and so he could have queried them further if he had wished to do so. So I can’t say that the policy was mis-sold to him or that UKI needs to pay him any refund.

So I’ve now looked to see whether UKI met the policy terms and conditions on this occasion. UKI told Mr L when he complained about the size of the first replacement car offered:

“While your car is larger, its only by a small margin. 27cm longer, 9mm taller and 3,9 cm wider than the hire vehicle being offered.

Our claims team feel this does constitute a similar size, as well as being at the limit of the policy terms and conditions.”

UKI wasn’t able to provide a further definition of what constituted a Class F vehicle as it was a term used by the hire company. So I can’t reasonably agree that the car provided was at the limit of the policy conditions.

But our Investigator checked the external dimensions of the car and compared them with those of Mr L’s car. Mr L thought the internal dimensions should be compared, but they aren’t readily available. The Investigator found that the dimensions were within 10%. And so he thought UKI had offered Mr L a similar car and so met the terms and conditions of the policy. And I’m satisfied that’s fair and reasonable.

But the car actually delivered by the hire company was a smaller hatchback. This car was outside the 10% margin, so I agree that it wasn’t of a similar size to Mr L’s car. UKI has said this car was of a higher specification and was provided as a gesture of goodwill by the hire company. But I’m satisfied that it didn’t meet the policy’s definition as it was too dissimilar to Mr L’s car and I can’t say what a Class F car would be.

I can see that Mr L immediately complained and was promised a swap by the hire company, but this didn’t eventuate. And UKI noted Mr L’s concern but didn’t act to correct it by providing the car previously offered.

So Mr L had ten days in hire that didn’t suit his needs. And he was caused frustration and stress by having to press UKI to respond to his concerns. Our Investigator recommended that UKI should pay him £100 compensation for this trouble and upset. And I’m satisfied that that’s fair and reasonable as it’s in keeping with our published guidance for the level of impact this error had.

Putting things right

I require U K Insurance Limited to pay Mr L £100 compensation for the distress and inconvenience caused by its level of service.

My final decision

For the reasons given above, my final decision is that I uphold this complaint. I require U K Insurance Limited to carry out the redress set out above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr L to accept or reject my decision before 20 January 2023.

Phillip Berechree
Ombudsman