

The complaint

Miss G and Mr R complain that Astrenska Insurance Limited is responsible for mishandling a claim on a guaranteed courtesy car insurance policy associated with a motor insurance policy.

Where I refer to Astrenska, I refer to the above-named insurance company and I include the claims administrator and others insofar as I hold Astrenska responsible for their acts or omissions.

What happened

In 2021, Mr R and Miss G had three teenage children and two dogs. They had a sports utility vehicle, first registered in about 2017. For the year from June 2021, Miss G insured it through a supermarket bank acting as an insurance intermediary. She was the policyholder and Mr R was covered as a named driver.

The policy was comprehensive. In the event of an accident, the policy would provide them with a courtesy car but only a 3- door hatchback and only while their vehicle was at an approved repairer. Another insurer (not Astrenska) was responsible for dealing with any claim.

Miss G had an optional extra or additional product of guaranteed courtesy car insurance cover. Astrenska was the insurer responsible for dealing with any claim under that cover, through a claims administrator.

Unfortunately, in July 2021, the vehicle suffered damage in a collision with a deer. Miss G made a claim. On 28 July 2021, she and Mr R received a courtesy car. He contacted the administrator to say that it wasn't large enough for some planned days out including a family birthday party on 4 August 2021.

On 7 October 2021, Mr R and Miss G complained that they hadn't received the courtesy car they'd paid for under the policy.

By a final response dated mid-November 2021, the claims administrator said the following:

"The replacement hire vehicle policy provides customers with vehicles up to a certain size and does not provide a hire vehicle which is ...similar sized vehicle to their own..."

As we do not have sight of the replacement hire vehicle policy, we would normally refer the customer back to their insurance brokers...

...it would be the underwriters of the replacement vehicle policy who would need to agree to upgrade the hire vehicle grouping..."

Mr R and Miss G brought their complaint to us without delay.

Our investigator recommended that the complaint should be upheld. He thought that Astrenska should've provided a courtesy car of "a similar size" to Miss G and Mr R's. The

investigator said that there had been a serious impact which had caused considerable distress and upset. He recommended that Astrenska should pay £500.00 as redress for disruption caused.

Astrenska disagreed with the investigator's opinion. It asked for an ombudsman to review the complaint. I says in summary, that:

- It fulfilled its obligation to provide a replacement vehicle of a similar size and capacity to the policyholder's.
- As a result of Covid and subsequent supply issues, there has been a vehicle shortage.
- The suggested redress of £500,00 is beyond proportionate to the damage the policyholder incurred.
- It offered £250.00.

Mr R accepted the investigator's recommendation. He says, in summary, that:

- There was a significant size difference in the comparison of the two vehicles
- The insurer was responsible for conflicting information about whether it had provided or couldn't provide a vehicle of the correct size.

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.

The Financial Ombudsman Service is bound by the Financial Conduct Authority's dispute resolution rules. We look at a consumer's complaint against a regulated financial firm in connection with regulated activities. Where we uphold a complaint about an unfair act or omission, we look at its impact on the consumer. We assess compensation by reference to that impact – rather than at a level intended to punish or deter unfair acts or omissions.

I've seen a policy schedule that shows that Miss G agreed to pay a total of about £500.00 for motor insurance and the additional product of guaranteed courtesy car insurance. And I've also seen a document including the following:

"Guaranteed Courtesy Car Insurance Product Information Document...

Guaranteed Courtesy Car is insurance that provides hire car cover in the event of damage to your insured vehicle.

What is insured?

If your vehicle is damaged as a result of a road traffic accident, fire, or vandalism, or if it is stolen and not recovered, we'll arrange for a hire vehicle. The hire vehicle will be in place for a maximum of 14 days.

Are there any restrictions on cover?

...

Providing you with a hire vehicle which is the exact same make and model and same engine size of your vehicle

Providing you with a vehicle over 2000cc ."

So the IPID didn't contain any promise to make sure the courtesy car was a similar size to the insured vehicle.

Mr R sent us a screenshot including the following:

“Enhanced courtesy car...

Stay mobile while you're without your own car. If your car is off the road, including if it's written off, we'll aim to deliver a courtesy car within 24 hours of you registering a claim and we'll make sure it's a similar size to your own.”

I've added the underlining of the words on which Mr R and the investigator relied.

However, it would be unusual for a consumer to take such a screenshot at the time of taking out cover. And the screenshot shows a premium of over £2,000.00 rather than about £500.00. So I find that Mr R took the screenshot sometime after the accident.

Nevertheless the detailed policy terms about “*Guaranteed Courtesy Car*” made it clear that Astrenska would provide a “*Hire Vehicle*” defined as follows:

“A Hire Vehicle provided subject to availability will be a similar size and capacity to Your vehicle up to a maximum engine size of 2000cc”

Mr R and Miss G's car had an engine over 2000cc, so Astrenska didn't have to provide a like-for-like courtesy car. But – subject to availability – it had to be a similar size and capacity.

I accept that Mr R and Miss G had booked annual leave from work in the first week of August 2021. They had planned some days out and a trip to a significant family birthday party.

The accident was, in my view, bound to cause some inconvenience. However, Mr R had to spend many hours on telephone calls about the courtesy car. And I find Astrenska responsible for the acts and omissions of the claims administrator, including conflicting information about what the policy covered and who Mr R should contact.

I've noted the dimensions and engine size of Miss G and Mr R's vehicle and those of the courtesy car Astrenska provided. I find that the courtesy car wasn't of a similar size and capacity.

I've weighed up the conflicting information about whether a suitable replacement vehicle was available. Keeping in mind the other conflicting information, I prefer Mr R's recollection that a suitable replacement vehicle was available, but the claims administrator wouldn't authorise payment for it.

I hold Astrenska responsible not only for the claims administrator's conflicting information but also for failure to provide a courtesy car of a similar size and capacity to Miss G and Mr R's.

I've thought about the impact of this on them. I accept that this included many hours of wasted time and frustration for Mr R. It also included an inability to travel as a family on all their planned days out in their week off. It also included having to leave their eldest child behind when they went to the birthday party. So the family photographs are missing that child.

The final response didn't include any financial offer.

Putting things right

I understand Mr R's and Astrenska's reluctance to accept the investigator's recommendation of £500.00, but I find it fair and reasonable in line with our published approach.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I direct Astrenska Insurance Limited to pay Miss G and Mr R jointly £500.00 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G and Mr R to accept or reject my decision before 5 February 2023.

Christopher Gilbert

Ombudsman