

The complaint

Mrs M complains about how West Bay Insurance Plc trading as Zenith Insurance (West Bay) handled a claim on her motor insurance policy.

What happened

Mrs M had a motor insurance policy with West Bay covering her car. Her policy was taken out through an insurance broker whose service Mrs M has also complained about.

This complaint will only consider Mrs M's complaint against West Bay.

In March 2022, Mrs M's car was damaged when she collided with an object in the road. She reported the incident to the police and then she arranged for her car to be recovered to a nearby garage, who'll I'll refer to as T.

Mrs M then called West Bay and notified it of the collision.

West Bay sent Mrs M a series of text messages, including one telling her she wouldn't get a courtesy car because she'd chosen to have her car repaired by a non-approved repairer.

West Bay also says it sent Mrs M a text message telling her it would limit its labour costs to £27.50 per hour as she had chosen her own garage to have repairs done. Mrs M says she didn't receive this text, but did get the earlier one about the courtesy car, and a later one about telling her some information she needed to pass on to T.

West Bay say it also wrote to Mrs M telling her about its maximum labour rate. Mrs M denies receiving this letter.

Mrs M asked West Bay by post about what approved repairers she could use, but West Bay didn't respond.

There was a delay getting the work started. T told Mrs M that it was discussing the costs of the repair with West Bay.

About three weeks after the collision, work still hadn't started. Mrs M was then told by T that she had to pay £900 of the repair costs, plus her excess of £125. Mrs M wasn't happy about this but agreed to pay so that she could get her car back.

She complained to West Bay about the delay getting repairs started, the lack of a courtesy car and the extra cost she had to pay.

West Bay didn't respond to Mrs M within eight weeks, so she brought her complaint to this service. She asks for a refund of the £900 she paid to T for the repairs. She also asks for compensation for her inconvenience during the period she didn't have her car, about five weeks in total.

West Bay later responded. It said it'd told Mrs M that when she'd chosen her own repairer to carry out the repairs, it'd sent her messages saying it wouldn't provide her with a courtesy

car. It also said it told her that the most it would pay for labour costs was £27.50 per hour. It said it didn't agree with Mrs M's points, but it did agree it'd provided some poor service by not authorising the repairs quickly enough. It offered Mrs M £70 compensation for this.

Our investigator looked into Mrs M's complaint and didn't uphold it. She said that Mrs M had been sent text messages telling her about the courtesy car and the labour rate, as well as a letter. She also said she thought Mrs M had enough opportunity to contact West Bay and ask to change the repairer to one of its recommended ones.

Mrs M didn't agree with the view. She asked that her complaint was reviewed by an ombudsman, so it has been passed to me to make a final decision.

I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

Labour rate & claim delay

From the evidence I have, the additional £900 paid by Mrs M was to cover the difference in labour rate being charged by T over what West Bay say it was prepared to pay. West Bay says it told Mrs M by text message, and then by letter, that the most it would pay was £27.50 per hour, and I can see from the file that T's labour costs were chargeable at £90 per hour.

Mrs M denies receiving both the text message about this labour rate and the letter which West Bay says was sent a few days later. It's considered good practice to use at least two different methods to tell customers about important matters such as this.

The text message about it was sent as part of a series of messages just after she'd contacted West Bay to tell it about her collision. Mrs M has said she did receive text messages sent either side of this particular one. I note that she mentions these messages were sent to her family member's phone rather than hers.

Mrs M also comments about the integrity of West Bay's claims handlers when she mentions this text message, but she doesn't provide evidence for this.

On balance, I think it's unlikely that both methods used by West Bay failed to arrive and I am persuaded by West Bay's evidence that it did reasonably send the communications about the labour rate. I can't reasonably hold West Bay responsible for it not being delivered.

But the content of the text message itself needs closer examination.

"As you are using your own garage for repairs, under the terms of your policy we are only about to authorise a labour rate up to £27.50 an hour and any additional labour charge above this amount will be your liability"

West Bay's wording includes a phrase saying:

"We will not pay more than the cost of repairs had the work been undertaken by our approved repairers"

It's common for insurance companies to use an approved repairer network because it helps them control costs in the claims process. And I think it's fair of West Bay to use a restriction like this.

But when customers use other repairers outside of the network, I think it's reasonable to expect them to be told that different conditions would apply to their claim at the earliest

opportunity.

I've said above that I think West Bay did, on balance, provide Mrs M with the information about its limit by text message and letter. But I think West Bay should also have told her about it during her initial call to it making the claim. West Bay had the opportunity to deal with this issue immediately because her car was in the process of being recovered to T, and redirecting it to an approved repairer would have been simpler around this time.

So, while I think it's reasonable for West Bay to apply a term like this into Mrs M's policy, and it reasonably notified her about it in two different ways, I think West Bay should have told her about it during the claims call. And at the same time it should also have told her about it not providing her with a courtesy car.

I can see that Mrs M asked West Bay by letter for details of its approved repairers while her car was waiting for repairs to begin, so she was clearly willing to consider other options for repairing her car. I'm unsure why Mrs M didn't call West Bay about this as I would think it would have resolved the query faster.

I'm not going to ask West Bay to refund the £900 paid by Mrs M because I think its policy wording reasonably allows it, and I think it did tell Mrs M about it. But I think its service during the claim could have been much better. Its failure to tell her early in the process about the implications of her choice of repairer led to a great deal of frustration and inconvenience.

Whilst I think Mrs M could have helped understand and speed up the process by calling West Bay and discussing the matter over the phone, I think West Bay should pay Mrs M £150 for her distress.

Because West Bay caused the delay, I also think it's reasonable to expect it to pay for some of Mrs M's inconvenience. West Bay has already offered Mrs M £70 compensation for this delay, and I think this is sufficient. So I'm not going to ask it to pay more.

Courtesy Car

West Bay's policy includes a provision for a courtesy car.

"Courtesy car

A small class "A" vehicle provided by the Insurers approved repairer on a voluntary basis for the duration of an authorised repair."

Mrs M has said she was told that she wasn't entitled to a courtesy car in a text message from West Bay.

Again, I'm unsure why Mrs M didn't call West Bay about this because she says the courtesy car was very important to her.

It seems to me that West Bay has complied with its terms and conditions here, so I'm not intending to ask it to do more.

Responses to my provisional decision

West Bay responded and said it informed Mrs M about the limit on the labour rate by two different methods, which it said is normally acceptable to this service.

Mrs M also responded and again denied receiving any communications from West Bay

about the limit on the labour rate. She explained the difficulties she has with using more modern technology.

Mrs M also said her broker has commented that it thinks West Bay's hourly rate is too low for the area she lives in. Mrs M has said the costs of making the claim are upwards of £1,100 plus ongoing costs because of West Bay's lack of concern for her.

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've read Mrs M's comments carefully and I understand her frustration with the service she's had. It's my role to look at West Bay's actions and assess whether they are fair and reasonable. I've said above that I think West Bay should reasonably have told Mrs M about the limit to the labour rate when she called it to make the claim. This would seem to me to have been the most opportune time to tell her about it, and while I agree that using two different methods of communication with Mrs M does follow best practise, I think West Bay should have done more on this occasion.

With regard to the limit on the labour rate, I can see that Mrs M's broker has said it thinks the rate for the particular location should be set higher. It's not for me to comment on the validity of this because insurers like West Bay have large buying power and may have negotiated special rates with certain approved repairers. I've said above that I think West Bay did reasonably inform Mrs M about this, so I think it's fair of West Bay to be able to rely on this limit and I'm not going to ask it to pay more.

At the heart of Mrs M's complaint is the fact that the repairer she used charged more per hour than West Bay were willing to pay under its policy. I've said above that I think it's fair of West Bay to limit this amount, and I think it reasonably told Mrs M about it.

I know Mrs M tried to discuss the choice of repairer with West Bay and she has explained to this service why she chose to correspond by letter rather than by phone or another method, but I don't think it's fair to say West Bay is responsible for Mrs M's choice in this.

Taking everything into account, I think West Bay should pay £150 compensation for the poor service and delays it caused, plus an additional £70 for her inconvenience. But I'm not going to ask it to pay more.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint in part. I direct West Bay Insurance Plc to pay Mrs M:

- £150 for her distress from its poor claims handling
- £70 for her inconvenience from the claims delay.

West Bay Insurance Plc must pay the amount within 28 days of the date on which we tell it Mrs M accepts my final decision. If it pays later than this, it must also pay interest on the amount from the date of my final decision to the date of payment at 8% a year simple.

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

Richard Sowden
Ombudsman