

The complaint

Mr M complains about the quality of repairs by Markerstudy Insurance Company Limited after he claimed on his Taxi insurance policy.

What happened

Mr M's taxi was damaged in an accident with a third party, so he claimed on his policy. The third party had damaged the rear offside door and the back of the taxi. Following the repairs Mr M said the door wouldn't close properly, the handle on the inside kept falling off and the door seal also would fall off.

Mr M said he raised this with the repairer who was appointed by Markerstudy and was told that the new seals needed time to settle. As there were still issues with the door, the repairer carried out rectification work to fix the issues. Mr M said these weren't completed within the time frame they should have been and because of this he lost income as he had to rent another taxi while his car had the additional work completed. Because of this Mr M complained to Markerstudy.

Markerstudy reviewed the complaint and partially upheld it. It said Mr M's policy provides a hire vehicle for up to seven days while his is in for repair, and as this was provided Markerstudy thought it had acted in line with the policy. However, Markerstudy did acknowledge issues with the repair and offered Mr M £75 compensation. Unhappy with Markerstudy's response, Mr M referred his complaint here. He also said the repairer didn't fix the issues and so he ultimately had them repaired by another garage, which he paid for.

Our investigator reviewed the complaint and recommended it be upheld. He found that Mr M's policy only provided a hire car if Mr M was found to not be at fault for the accident. And as this was still in dispute Mr M had only been provided with a courtesy car by the repairing garage, which he couldn't use as a taxi. He also found Mr M had paid £286.66 to fix the issues with the poor repair. Because of this he recommended Markerstudy pay Mr M what he paid for the repairs, plus compensate him for his lost earnings due to the poor repairs, which amounted to £892.77. Our Investigator also recommended Markerstudy pay an additional £150 compensation on top of the £75 already offered for distress and inconvenience.

Markerstudy didn't agree. It said Mr M hadn't made them aware of the ongoing issues with the repair. It also said the repairer had acknowledged the initial issues and rectified them as a goodwill gesture. Markerstudy said this was because when the car had been returned to the repairer a bolt was missing from the door and so it thought someone else had tampered with it after it had been repaired. It also said it had a report confirming this and so didn't think it should be held responsible for the poor repairs or loss of earnings.

As Markerstudy didn't agree the complaint has come 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.

Mr M has a comprehensive insurance policy for his taxi with Markerstudy. The policy says in the event of a claim for accidental damage that Markerstudy will repair Mr M's taxi and that the repairs are guaranteed. Even if they weren't guaranteed it would be fair and reasonable to expect the repairs to be lasting and effective.

It's not disputed that Markerstudy repaired Mr M's taxi or that Markerstudy is responsible for the quality of those repairs. However, Markerstudy has said it thinks someone else has tampered with the door since it repaired Mr M's taxi. Markerstudy has referred to a report which shows this and refers to a bolt missing from the door, which it said caused the door to drop.

Markerstudy hasn't provided this report but has provided an e-mail from the repairer which says when the taxi was returned, due to an issue with the door, a bolt was missing and said the car wasn't like that when it left the repairers. While I've considered this it doesn't persuade me this means the repairs were of the required standard, or that any issues with them was rectified by Markerstudy.

I say this because Mr M has provided a video and pictures of the door which shows the handle on the inside comes off and also shows the seal around the door hanging off. He's also provided an invoice for the issues with the door to be fixed which is dated some months after he complained to Markerstudy. He also said he's contacted the repairer multiple times about these problems and Markerstudy's contact notes seem to support this, so I'm persuaded by Mr M's testimony. I'm therefore satisfied it's most likely there were issues with the repair which Markerstudy was given the opportunity to rectify and didn't. This therefore meant Mr M needed to go elsewhere to get them fixed. Therefore, Markerstudy should pay Mr M what he paid to rectify the poor repair, £286.66.

Mr M has also explained that due to having the poor repairs he lost out on earnings as he had to rent another taxi. He said by renting the taxi he lost 40% of his earnings as this is the fee for the taxi he rented and that this equated to a loss of £892.77. Mr M has provided evidence of the earnings he had and a calculation to show the loss to him, taking into account savings he also made. I'm persuaded by this and as I'm satisfied he's only incurred this loss due to Markerstudy's agents poor repairs, Markerstudy need to pay Mr M £892.77 for his loss of earnings. For the loss of earnings and the cost to rectify the poor repairs, Markerstudy also needs to add 8% simple interest per year to these amounts to compensate Mr M for not having the money. This should be calculated from the date Mr M had the lost earnings, until the date of payment and from when he paid for rectify the poor repairs, until the date of payment.

I'm also satisfied all of this has caused Mr M unnecessary distress and inconvenience as he's had to raise the issues with the repairer, arranged alternative repairs and also sorted a replacement taxi while the issues were attempted to be fixed. To compensate Mr M for this Markerstudy should pay him an additional £150 on top of the £75 it's already offered.

My final decision

For the reasons explained above, I uphold this complaint. I require Markerstudy Insurance Company Limited to:

1. Pay Mr M £286.66 to rectify the poor repairs
2. Pay Mr M £892.77 for loss of earnings

3. Pay Mr M an additional £150 for distress and inconvenience

For 1 and 2 above, Markerstudy Insurance Company Limited also needs to add 8% simple interest per year to the amount it pays to compensate Mr M for not having the money. For 1 this needs to be calculated from the date Mr M paid for the poor repairs until the date of payment, and for 2 this needs to be calculated from the date Mr M had the lost earnings until the date of payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 March 2023.

Alex Newman
Ombudsman