

## **The complaint**

Mr B complains about how One Insurance Limited handled a claim made on his motor insurance policy.

## **What happened**

Mr B made a claim on his policy after his wife had an accident. He was unhappy that One Insurance didn't provide him with a courtesy car, didn't take into account his needs and didn't keep him updated. One Insurance agreed its customer service could have been better. It paid Mr B £100 compensation. But Mr B remained unhappy.

Our Investigator recommended that the complaint should be upheld. He agreed that the customer service had been poor. But he also thought One Insurance should have provided Mr B with a courtesy car. He thought it should reimburse Mr B for the hire costs he incurred until the car was deemed to be beyond economical repair and pay him £200 further compensation.

One Insurance replied that Mr B's car was roadworthy and not beyond economical repair, so he wasn't due a courtesy car until his car was taken for repairs. The parts weren't available, and Mr B had hired a replacement car. So One Insurance said it paid him cash in lieu of repairs and £100 compensation for this delay. It said it wasn't responsible for the lack of parts. One Insurance asked for an Ombudsman's review, so the complaint has come to me for a final decision.

## **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 can see that Mr B is also unhappy with how One Insurance has progressed his claim and with its likely liability decision. But I can't consider that here as this is subject to a separate complaint. What I can consider here is how One Insurance handled Mr B's claim and the provision of a courtesy car.

I can see that Mr B told One Insurance when he reported the claim that he had special needs that required it to make adjustments to how it communicated with him. I can see that One Insurance noted this but continued to rely on written communication methods rather than phone calls, which was Mr B's stated preference. I think this must have been very frustrating for Mr B.

One Insurance agreed that it didn't keep Mr B reasonably updated about his claim. I can see that it instructed a repairer promptly. But I can't see that it contacted Mr B when he asked for updates. It was left to Mr B to chase One Insurance and try to get through to the correct team. Mr B has explained that this caused him further stress and frustration.

Insurers have a responsibility under the relevant regulations to deal with claims promptly. I can see that there were initial delays whilst the repairer waited for ordered parts to arrive. And I can't reasonably hold One Insurance responsible for this delay.

But One Insurance agrees that there were delays and errors in providing Mr B with updates about his claim. And it paid him £100 compensation for this. But I don't think that was fair and reasonable in the circumstances as it seems to have been just for the delay.

I think £300 compensation for errors that persisted over months and caused Mr B significant issues is in keeping with our published guidance. And I think One Insurance should increase its payment of compensation to this amount.

One Insurance's repairer couldn't take on the work for two months after the parts had arrived. One Insurance then paid Mr B cash in lieu of repairs at the rate quoted by its repairer and Mr B accepted this. One Insurance said it decided this because:

*"...due to not being able to get your vehicle booked in, and the hire costs we would have incurred, this would outweigh the costs of the repairs."*

One Insurance knew that Mr B had hired a replacement car and it seems to have accepted that it was responsible for this cost. I can't see that it told Mr B that he would have to pay for the hire costs.

Mr B said his car was undriveable due to the damage caused in the accident. I can see from photographs that the driver's side mirror was damaged. Mr B said his garage advised him not to drive the car for safety reasons. And even though One Insurance's assessor thought the car was roadworthy, I'm satisfied that Mr B reasonably thought it was unsafe to drive.

I've looked at the policy document and it states that a courtesy car isn't provided where the car is deemed to be beyond economical repair. Mr B's car was repairable, but the repairs couldn't be made due to no fault of Mr B.

In its letter to Mr B following his claim, One Insurance explained:

*"For any 'fault' incident, you will be provided with a replacement courtesy vehicle for the duration of your repairs. Should your vehicle be deemed a total loss however, a vehicle will not be provided. In cases where your vehicle is no longer safe to drive, we will endeavour to provide a replacement vehicle as soon as possible. In the event the vehicle can be deemed economically correct to repair."*

But I can't see that One Insurance "endeavoured" to provide Mr B with a replacement car which it said was his entitlement. This left Mr B out of pocket from the date he reported the claim, 17 October 2022 until the cash in lieu settlement was paid, 5 December 2012. And our Investigator thought One Insurance should reasonably reimburse Mr B for his hire costs in this time.

One Insurance said the provision of a courtesy car was subject to availability when the car was taken for repairs. But I can't see that this is set out in the policy's terms and conditions. So I can't say that this is a reason for One Insurance to decline to reimburse Mr B.

One Insurance also said that Mr B's car was roadworthy and so he didn't need a replacement car. But One Insurance's letter doesn't state that the car needs to be unroadworthy for Mr B to be entitled to a courtesy car, but that the car "*is no longer safe to drive*".

Looking at the photographs of the damage caused to Mr B's car, I can understand why he felt that it was no longer safe to drive. So I think One Insurance should reasonably reimburse Mr B for the hire costs he incurred from the date he reported the claim until the cash settlement was paid.

### **Putting things right**

I require One Insurance Limited to do the following:

1. Pay Mr B £200 further compensation (£300 in total) for the distress and inconvenience caused by its level of service in handling his claim.

2. Reimburse Mr B for his hire costs from the date he reported the accident until the payment of the cash in lieu settlement, on provision of reasonable evidence of these costs.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 April 2023.

Phillip Berechree  
**Ombudsman**