

The complaint

Mr A has complained about the delay in repairing his vehicle and the quality of the repairs carried out following a claim under his minibus insurance policy with QBE UK Limited.

What happened

Mr A, who is a taxi driver, had an accident in his minibus in which it was damaged on 13 January 2022. He contacted QBE's claim line and their claim handling agent, who'll I'll refer to as 'F', allocated the repairs to a garage on QBE's approved repairer network, who I'll refer to as 'G'. G carried out a mobile inspection and drew up an estimate on 18 January 2022 and booked the minibus in for repair on 16 February 2022. Due to some confusion on when the minibus would be going to G, Mr A took it to them on 7 February 2022. However, G weren't in a position to start working on the vehicle. And it seems from what they've said, they stripped it down on 25 February 2022. And they ordered the parts needed to repair it on 28 February 2022. It seems the parts arrived on 1 March 2022, but three were missing, so they couldn't complete the repairs. Mr A wanted the vehicle back and eventually collected it before G had actually finished repairing it.

Mr A complained to QBE. He said after G carried out the estimate on 18 January 2022 they told him his vehicle would be repaired in a couple of weeks. It then sat outside his house until 5 February 2022. So he contacted G through a friend and was told his vehicle would be collected on 7 February 2022. It wasn't collected, so he took matters into his own hands and delivered it to G. Mr A has added that throughout this time he was being told by the proprietor of G that they couldn't get the parts, even though G had never actually physically inspected the vehicle. Mr A has said after he dropped his vehicle off and was going home in a taxi, he saw it pass him to be parked up at G's new premises nearby. He's said all he was ever told by the proprietor of G was that the parts weren't available. He's further explained that nothing happened to his vehicle until 3 March 2022 when it was taken to G's other workshop for the work to be carried out. Mr A has said he then received a telephone call from G to say his vehicle would be ready on 4 March 2022. When he arrived to collect it from G he was told some of the parts that had been delivered were incorrect and that they would finish the job on 8 March 2022. He then took the vehicle.

Mr A has explained his vehicle was in a bad state with an abysmal spray job and the front passenger door not opening, amongst other things. So, he took it to another repairer, who I'll refer to as 'B'. B resolved the issue around the door, so that Mr A could still use it for his taxi service. B provided a report, which Mr A provided to QBE saying how poor the repairs that had been carried out were.

Mr A has said he telephoned G on 5 March 2022 and told the proprietor how unhappy he was with the repairs. And that the proprietor complained they hadn't been given enough time to finish the repairs. And the proprietor let slip that he hadn't ordered the parts until the previous week. Mr A has said he then got a call from G on 11 March 2022 to say the parts had arrived and to bring his vehicle in, so that it could be completely repaired. This was despite G putting on F's portal that it had been completely repaired and returned to him on 4 March 2022. Mr A told G he would not be bringing the vehicle back in.

Mr A also mentioned when he raised his complaint that he was unhappy about having to spend around £2,000 on hiring a replacement vehicle due to the delay repairing his vehicle. QBE arranged for an engineer's inspection and report. And they agreed for the further work needed on the vehicle to be completed by another repairer at a later date agreed with Mr A. And they've paid for this. It doesn't look like they issued a final response letter on Mr A's complaint.

Mr A asked us to consider his complaint about the repairs and the hire charges he'd incurred as a result of the delay repairing his vehicle. We told QBE this was what his complaint was about and asked for the information we needed to investigate it on 1 June 2022. QBE provided their papers on 17 June 2022. When doing so they said they didn't think Mr A's complaint about the repairs should be upheld. They also said they didn't think he should get anything towards hiring a vehicle, as his policy didn't provide cover for this. But they did agree communication with Mr A could have been better.

One of our investigators considered Mr A's complaint. In his first view on it he said he didn't think it should be upheld. However, he then issued a second view, in which he said that he thought the repairs to Mr A's vehicle should have been carried out much quicker and that the delay had caused Mr A distress and inconvenience and to incur hire charges for a replacement vehicle he should not have incurred. He suggested QBE reimburse what Mr A paid to hire a replacement vehicle between 9 February and 8 March 2022. And that they pay him £200 in compensation for distress and inconvenience.

Mr A said he was happy with this outcome. But QBE objected to it. They asked the investigator to explain why he thought the repairs to Mr A's vehicle should have been completed by 9 February. And they pointed out that, although G may have had reduced capacity, this is true of all repairers in the winter months and there were also problems getting parts, which had been the case since the Pandemic. They also said they aren't aware of any hire invoices for the period 9 February to 8 March 2022.

The investigator went back on these points. He explained he felt the period from 13 January to 9 February was a reasonable period for QBE to have had Mr A's vehicle repaired. And that they'd need to ask him for invoices to substantiate what he'd paid to hire an alternative vehicle.

QBE came back to say they didn't feel the timescale suggested by the investigator was reasonable for the time of year. And they said Mr A didn't make them aware of hire charges or ask them to consider them as part of his complaint. And they asked for an ombudsman's decision.

Mr A then contacted the investigator to ask if the ombudsman could consider awarding something for the hire charges he incurred in the summer whilst his vehicle was in for the repairs to be completed and rectification work carried out to correct the poor repairs carried out by G.

I issued a provisional decision on 14 February 2023 in which I set out what I'd provisionally decided as follows:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Firstly, I should say I have noted what QBE have said about Mr A's complaint about the hire charges. However, these flow from his complaint about the standard of the repairs and the delay in carrying them out. In any event, as I have already explained, we told QBE at the beginning of June 2022 that this was part of Mr A's complaint and when they provided their

papers on 17 June they commented on the hire charges. So, I consider it is appropriate for me to consider them as part of this complaint.

I agree with our investigator that 13 January to 8 February is a reasonable period to allow for QBE to have had Mr A's vehicle repaired. This would have allowed plenty of time for an estimate to be drawn up and a repairer found and the days that were needed to complete the repair. I do not understand QBE's suggestion that all repairers have limited capacity in the winter months, as – in my experience – this is not the case. And I can't see why the fact it is the winter would make any difference to how many cars a repairer can repair. In any event, it is clear from the notes provided that G had limited capacity because one of their premises was out of action, ie it had nothing to do with the time of year. In my opinion, F should have realised early on that G couldn't repair Mr A's vehicle quickly enough and made alternative arrangements or offered Mr A the option to find a repairer to do it. I say this, as he has a commercial policy to cover a vehicle that is crucial to his business and I think it was unreasonable to expect him to have it sitting there for well over a month, when other options could have been considered.

I appreciate what G have said happened is slightly different to what Mr A has said. But I prefer Mr A's testimony, as it is more detailed and seems to tie in with the timeline. However, it is clear from what both Mr A and G have said that the delay to the repairs starting had nothing to do with the fact G was waiting for parts. The fact some parts didn't arrive as part of the order for them did play a part in preventing G completing the repairs as quickly as they'd suggested they would, but this is very different to it causing a delay of around a month and a half in starting them.

Without his vehicle, due to the unnecessary delay in starting the repairs to it, Mr A had no other option than to hire a vehicle to be able to continue his business. And, as I think he should have had his vehicle back and repaired on 8 March, I think QBE should reimburse what Mr A paid to hire a vehicle between 9 February and when he had his vehicle back and was able to use it. Mr A has now provided an invoice at £80 per day covering this period, which I consider reasonable for the type of vehicle he needed. The hire in this period is for 13 days between 9 February and 4 March at £80 per day, which is £1,040.

I've also considered Mr A's request to be reimbursed for the hire charges he incurred in the summer of 2022 while his vehicle went back in to have the repairs completed and rectification work carried out. This is a period of 19 days from 25 July to 12 August 2022. Mr A has provided an invoice for this and clearly did have to rent a vehicle in this period. And I'm satisfied this was because his vehicle was in for the further work required to be carried out. I'm also satisfied from the report Mr A has provided by B that this wasn't just to complete the repairs required; it was also to correct some of the work carried out by G. I say that because their comments – which I find persuasive – state that some of the work – like paintwork – had to be redone and their estimate covers this.

Mr A has explained that the reason his vehicle was with the repairer for 19 days in total was that they had to redo all the work done by G. This is a long period of time for the amount of work required. But, it was obviously difficult for Mr A, as he had no real control over how long the repairer took and he was only in the position he was because of poor repairs by G and the unreasonable time they took to start the repairs to his vehicle. So, I think QBE should cover any additional costs flowing from this. It is clear from the invoice Mr A has provided that he did hire a replacement vehicle for 19 days in this period. And he's explained that this was because in this period he operated full time as a taxi service, as it was in the school holidays when he had no school runs to carry out. So, I think it is also fair and reasonable for me to require QBE to cover Mr A's hire costs in this period as well. Mr A also paid £80 per day in this period and has provided an invoice. And – as I've said – I consider £80 per day reasonable for the type of vehicle he needed. This is £1,520 in total.

This means the full amount I think QBE should pay for hire charges is £2,560. And I've asked our investigator to send copies of the invoices to QBE. I appreciate there is no cover under the policy for a hire vehicle, but this award has nothing to do with what is covered by Mr A's policy. It is a loss which I consider flows directly from the poor claim handling by F and QBE and the poor repairs by G. I also think QBE should pay interest on the amount due to Mr A at our usual rate of 8% per annum simple from the date Mr A settled the hire invoices to the date QBE reimburses what he paid. This is because he has been without these funds as a result of failings by QBE or their agents.

I also agree with our investigator that the poor repairs by G and poor handling by QBE and F caused Mr A distress and inconvenience. This is because he had to chase the garage and was given incorrect information and had the worry of how to keep his business going and having to pay for hire. And I think the £200 suggested by our investigator for this is reasonable.

In summary, as the fair and reasonable outcome to Mr A's complaint, I consider QBE should pay him £2,560 to cover hire charges and £200 in compensation for distress and inconvenience.

I gave both parties until 28 February 2023 to provide further comments and evidence.

Mr A responded to say he has no further comments or evidence. QBE have not responded.

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.

As neither party has provided any further comments or evidence, I see no reason to change my view of what the fair and reasonable outcome to Mr A's complaint is as set out in my provisional decision.

Putting things right

For the reasons set out in my provisional decision dated 14 February 2023, I've decided the fair and reasonable outcome to Mr A's complaint is for it to be upheld and for QBE to do the following:

- Pay Mr A £2,560 to cover what he paid to hire a replacement vehicle for the periods set out in my provisional decision.
- Pay interest on the separate amounts that make up this figure from the date he paid them to the date they pay Mr A.
- Pay Mr A £200 in compensation for distress and inconvenience.

QBE must tell Mr A if they have made a deduction for income tax from the interest they pay. And, if they have, how much they've taken off. They must also provide a tax deduction certificate for Mr A if asked to do so. This will allow Mr A to reclaim the tax from His Majesty's Revenue & Customs (HMRC) if appropriate.

My final decision

My final decision is that I uphold Mr A's complaint about QBE UK Limited and order them to do what I've set out above in the 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 April 2023.

Robert Short
Ombudsman