

The complaint

Mr W is unhappy with U K Insurance Limited's (UKI) handling of his claim under his motor insurance policy.

What happened

On 13 June 2022 Mr W had an accident in his car in another country. He arranged for the car to be towed away and contacted UKI to make a claim. UKI offered the option of having the car repaired in the country where the accident occurred or for his vehicle to be repatriated to the UK for repairs.

Mr W wanted the car brought back to the UK to be repaired by a main dealership. The dealership wasn't an approved repairer but UKI agreed and arranged the repatriation. They also explained that as it wasn't an approved repairer, it impacted his cover for a hire car. First indicating he would be entitled but with limitations and later explaining he wasn't entitled to a hire car but could claim for travel costs.

UKI arranged for the repatriation the same day and on 17 and 21 June 2022 they let Mr W know the estimated date for delivery would be 8 July 2022. As the car didn't arrive back on the estimated date Mr W chased it up several times as he was also being chased by the storage facility. He was then given a date of 18 July 2022. It took 37 days for his vehicle to be repatriated and as he was unhappy with the time taken and UKI's handling of the claim he made a complaint.

In their final response, UKI accepted it had taken some time to recover the car back to the UK and there had been unnecessary delays. They offered £200 compensation by way of an apology.

Our investigator felt UKI had taken too long to repatriate the car and considering the impact of it, felt UKI should pay £500 to compensate for the distress and inconvenience and loss of use. Mr W accepted this but UKI didn't agree so the complaint was passed to me to decide. In January 2023, I issued a provisional decision which said:

I understand Mr W's strength of feeling in relation to this complaint. Whilst I have considered all the information provided by both parties, I haven't commented on all of it. This isn't meant as a discourtesy but reflects the informal nature of this service.

UKI have a responsibility to handle claims promptly and fairly. The terms and conditions set out the agreement between UKI and Mr W and detail what is and isn't covered.

In relation to the provision of a hire car, the terms explain that cover is provided if the loss or damage happens within the territorial limits. And that when an incident occurs outside of territorial limits, like in this case, a hire car isn't provided. Instead, the insured is entitled to claim for any travel costs incurred up to £50 per day and up to a total of £500.

UKI had made a mistake in telling Mr W he was entitled to a hire car, but this has since been corrected. I've considered the impact of this below but can see they also told Mr W he could

claim for any travel costs instead in line with the policy terms and conditions.

The car repatriation took 37 days, delaying the repair of it, meaning Mr W had to cancel plans he had made to use the car. He also found himself acting as a middleman between the storage facility and the contactors who were repatriating the car due to the further delay.

UKI have accepted there was a delay as the car should've been collected on 8 July 2022. And have offered £200 compensation to account for this and the service provided. However, I don't think this fairly compensates Mr W for the distress and inconvenience caused.

Mr W was given the estimated date of 8 July 2022, but this was over three weeks since the accident. I'm aware UKI have advised that they use a more cost-effective way of getting vehicles repatriated and I know there were issues with space on the lorry that was due to collect the vehicle initially. It seems this was likely due to the backlogs the contactors told Mr W about when he called them for an update.

I think nearly three weeks to repatriate a car from Europe is a little excessive but given the backlogs explained to Mr W, I can understand why this was the case. However, the car wasn't collected for a further ten days which is an unreasonable delay. Taking account of this as well as the incorrect information given about a hire car and the calls Mr W had to make to get things moving and keep the storage facility updated, I think £300 is a fairer reflection of the distress and inconvenience caused.

I'm aware Mr W feels more compensation is warranted as he didn't have the use of his car for a prolonged period. However, this has been considered within the distress and inconvenience award of £300. Mr W hasn't claimed for any travel costs and I've not seen anything to suggest he has incurred any extra out of pocket expenses as a result of this.

For the reasons explained above, but subject to any further information I receive from either Mr W or UK Insurance Limited, my provisional decision is that UK Insurance Limited should pay Mr W £300 in total for the distress and inconvenience caused.

Responses to my provisional decision

Mr W felt more compensation was due given the lengthy delay and inconvenience he experienced. He's also provided information showing he was charged a £50 excess when he claimed for travel costs from his travel insurance provider.

UKI didn't respond to the decision itself but did agree to cover the £50 excess Mr W had incurred.

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 don't underestimate the inconvenience Mr W experienced and I'm aware of the efforts he went to in order to simplify the process. But I'm satisfied there were reasons behind the initial delay which I've explained in my provisional decision. Taking into account the avoidable delay, and the timeframe involved, I consider £300 is fair and reasonable in the circumstances. UKI have also agreed to cover the £50 excess Mr W incurred. So overall I'm satisfied that £350 fairly compensates Mr W.

My final decision

My final decision is that U K Insurance Limited should pay Mr W £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 31 March 2023.

Karin Hutchinson
Ombudsman