

The complaint

X complains that UK Insurance Limited trading as Direct Line (“UKI”) caused damage to his car when it was handling a claim on his motor insurance policy. When I mention UKI I also mean its repairers and recovery agents.

What happened

X had a motor insurance policy with UKI covering his car.

In late 2022 his car was damaged. UKI took his car to one of its approved repairers. The car was repaired and returned to him.

X noticed some damage to some chrome trim. He said UKI damaged the trim while his car was in its care. He complained to UKI.

UKI upheld his complaint. It asked him for any photos he had of the damage and it asked him to get an estimate of the cost to repair it.

X said he thought the damage would cost about £700-£800 to fix, but he didn’t provide an estimate from a repairer.

UKI closed his complaint because X didn’t supply the evidence it had asked for.

X was unhappy about this and he brought his complaint to this service. He complains that he wasn’t able to part-exchange the car when he wanted to, and then it had lost value when he could. He is unhappy with UKI’s service and that UKI closed his complaint without checking with him.

Our investigator looked into X’s complaint and upheld it in part. She said she thought UKI’s communication with X hadn’t been very good and it should have explained what it needed better. She said it should pay X £100 compensation for his inconvenience.

X didn’t agree with the view. He said his car lost over £12,500 of value because of the delays caused by UKI. He wants the cost of the repairs paid, and compensation for his time and inconvenience in chasing up UKI. UKI agreed with the view.

Because X didn’t agree, this complaint has been passed to me to make 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.

Having read the file, I’m upholding X’s complaint in part. I’ll explain why.

The damage to the car

I’ve looked at the evidence I’ve been provided and I can see that X reported the damage to

UKI's delivery driver as soon as his car was brought back to him. As part of its investigation, UKI asked X for any evidence he had, and an estimate for the cost to repair the damage.

I can also see that X was frequently chasing up UKI, and specifically its approved repairer and the recovery contractor, during this time. It's important that I say these companies were working on UKI's behalf, so UKI is responsible for their actions.

It's significant that X didn't supply UKI with an estimate for repairs. I can see he told UKI that the price would be about £700-£800, but it's fair that UKI would need to see an actual estimate from a repairer to fix the damage.

It's important that I say UKI accepted that X's car was damaged whilst in its care, but it couldn't proceed with his complaint any further because he didn't supply an estimate.

Taking everything into account, I think UKI's actions in investigating X's complaint were fair. And because he didn't provide it with the information I think it reasonably needed, UKI then said it would close his complaint. In its letter it also said:

"If you would still like to pursue the matter, please submit an estimate for the rectification work required for our engineer to review."

It's clear to me that UKI's actions have been fair and reasonable here. If X wants to have the repair considered by UKI, then he needs to provide an estimate that meets its reasonable requirements.

Depreciation

X has asked for compensation for the amount of depreciation his car has undergone. He thinks UKI should pay for this because the damage meant he wasn't able to trade his car in around December 2022. I can see from the file that it was X's intention to sell the car at this time.

I'm unsure why X says he wasn't able to trade the car in with the damage it had. Damage is something taken into account by motor dealers in their calculations for trade-in values; typically they will assess the cost for them to repair defects and deduct these amounts from the trade-in value. And their costs are trade, rather than retail, prices.

It seems to me that X had various options when he discovered the damage and made his initial complaint. He could have traded in his car, in which case he would have been able to see the impact of the damage on the trade-in value. Or he could have had the car repaired himself, in which case he'd be able to provide UKI with the information it asked for. Or he could have provided an estimate to UKI for its consideration and repair.

Instead, X retained the car and its updated estimated valuation in summer 2023 is significantly lower than it was in December 2022. Unfortunately for X this is a function of the car pricing market. They generally depreciate over time due to a wide range of factors, and it wouldn't be fair for me to ask UKI to pay for this.

Complaint

X has also complained about the way UKI handled his complaint. He's also made a second complaint to UKI about the way it closed his original complaint. It's important that I say that complaints only about complaints handling don't fall within the jurisdiction of this service, so I can't look into this second complaint.

But I can look at what happened in the period of his initial complaint. I can see UKI took over eight weeks to initially investigate X's complaint, which is a time period that allows him to approach this service without UKI's final response.

I can see from UKI's file that it was regularly chasing up its suppliers for evidence during this time and it was escalating the issue to try and resolve it. I can appreciate the impact of this apparent delay on X who was, as I've said above, seeking to trade in his car during this time. I've said that UKI are allowed eight weeks to carry out its investigation and provide X with its final response, so I think it's fair that I say its failure to keep X properly updated during this time has had an impact on him.

Because UKI are allowed eight weeks to investigate and respond, I can't say its actions in doing this weren't reasonable.

I've thought carefully about the impact on X and I think a figure of £100 is fair and reasonable for his distress and inconvenience. I know X has asked for more and he'll find this decision disappointing, but I've looked at this service's guidelines and I'm not persuaded to award a higher figure.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint in part. I direct UK Insurance Limited trading as Direct Line to pay X £100 for his distress and inconvenience from its poor service.

UK Insurance Limited trading as Direct Line must pay the amount within 28 days of the date on which we tell it X 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 X to accept or reject my decision before 8 September 2023.

Richard Sowden
Ombudsman