

The complaint

Mr L complains about the delays Watford Insurance Company Europe Limited caused in making repairs to his car following a claim made on his motor insurance policy.

What happened

Mr L's car was damaged, and he made a claim on his policy. He provided an estimate for repairs from his own repairer, but Watford didn't then negotiate this with the repairer. Mr L said it took three months for his car to be repaired and during this time he was without a car and his mental health suffered. He said he was told several times his car was unrepairable before it was repaired by an approved repairer. Watford offered Mr L £150 compensation for the delays in carrying out repairs. But Mr L wanted £2,500 compensation for the trouble and upset caused.

Our Investigator recommended that the complaint should be upheld. She thought Watford was responsible for an avoidable delay of five weeks at the start of the claim until repairs were approved. Watford didn't provide its policy documents, so she couldn't say that Mr L wasn't entitled to a courtesy car during the claim. So she thought Watford should compensate Mr L for his loss of use at £10 a day from the date his car was assessed, 18 July 2022, until he received it back. And she thought Watford should pay Mr L £350 compensation for the trouble and upset caused by its delays.

Watford replied that it agreed to increase the compensation offer to £350. It said loss of use wasn't covered by the policy, but it didn't provide a copy of the policy document to evidence this.

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 understand that Mr L felt frustrated that it took so long to repair his car. There was initial confusion about pre-existing damage to the car. Then the car was deemed repairable, but a suitable repairer couldn't be located. A higher quote from Mr L's own garage made the car beyond economical repairs. Watford's engineers said they should have negotiated this price with the repairer, but they didn't.

Mr L then asked for his car to be repaired at the approved repairers where the discounts would make repairs economical. But he was told twice that his car was a total loss when it had been booked in for repairs. And then Watford caused delays in recording Mr L's dissatisfaction and in responding to his Subject Access Request.

When a business makes mistakes, as Watford accepts it has done here, we expect it to restore the consumer's position, as far as it's able to do so. And we also consider the impact the errors had on the consumer.

I can see that Mr L's car has now been repaired. And I agree with the Investigator that Watford caused an avoidable delay in the repairs process of five weeks from the date the car was assessed until the repairs were finally approved. I can see from the engineers' assessments that the car was unroadworthy due to the damage caused by the incident. And

Mr L was without a car from the date of assessment, 18 July 2022, until he received it back, 15 October 2022.

Watford said Mr L wasn't entitled to a courtesy car under his policy's terms and conditions. But I haven't seen the policy documents, which we have requested for many months, so I don't have evidence of this. I can see from Watford's file that Mr L made it clear to Watford that he needed hire. It explained to Mr L that he wouldn't be entitled to a courtesy car if he chose to use his own repairer, which would imply that one would be available if he used Watford's repairer.

I think it's common in comprehensive motor insurance policies for a courtesy car not to be provided if a consumer used their own repairer or if the car was deemed to be a total loss. But Mr L's car was deemed to be repairable, and he used Watford's approved repairer.

So I would usually expect Watford to have provided Mr L with a courtesy car whilst his car was being repaired. But it didn't do this. And where we think an insurer is responsible for delays in repairs, as in Mr L's circumstances, we consider whether it should compensate them for loss of use.

Mr L made it clear to Watford that he was without transport, and he's explained that this affected his health, his personal life and his work commitments. We expect a consumer to reasonably mitigate their losses by looking at alternative transport in such circumstances.

But Mr L couldn't hire a car due to age restrictions. He couldn't borrow a car as he lived some distance from his family. And he couldn't use taxis due to the distances he needed to travel or rely on trains due to reliability issues. So I'm satisfied that Watford should compensate Mr L for the loss of use caused by its delays in his claim.

And, as I haven't seen evidence that Mr L's policy doesn't provide a courtesy car whilst repairs are carried out by an approved repairer, I think it should provide loss of use for this period, as the Investigator also recommended.

Watford's assessment of the car was completed on 18 July 2022, and he received the car back on 15 October 2022. So I think Watford should pay Mr L £10 a day for his loss of use during this period. I think that restores Mr L's position.

Watford has agreed to increase its offer of compensation for the trouble and upset caused by its delays in the claim and other failings from £150 to £350. Mr L was caused considerable upset, confusion and trouble during this time. So I think that's fair and reasonable and in keeping with our published guidance for the significant impact the errors had on Mr L over a period of several months.

Mr L has raised other concerns about his service from Watford. But, as our Investigator explained, he would firstly need to raise these with Watford to give it a chance to respond before I can consider them.

Putting things right

I require Watford Insurance Company Europe Limited to do the following:

1. Pay Mr L £350 in total compensation for the distress and inconvenience caused by its handling of his claim.
2. Pay Mr L for his loss of use of his car from 18 July 2022 until 15 October 2022 at the rate of £10 a day.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 23 August 2023.

Phillip Berechree
Ombudsman