

The complaint

Ms F complains about delays by UK Insurance Limited, trading as Churchill, in dealing with a claim she made on her motor insurance policy.

What happened

In December 2022 Ms F was involved in an accident in which her car was damaged. She told Churchill about the accident straight away. Churchill told her that it was likely that the car would be considered a write-off, but it would need an engineer to confirm this. An engineer finally inspected the car nearly six weeks after the accident and concluded that it was a write-off.

Ms F acknowledges that her policy provides for a courtesy car while any repairs are carried out to the car after an accident, but not if the car is written off. But she says the question of whether the car was written off depended on the engineer's inspection, which took far longer than it should have done to organise. Meanwhile, she couldn't source a new car, as she didn't know whether Churchill were going to repair her car or give her a cash settlement.

Ms F says she spent several hours in total on the phone to Churchill about her claim, and was passed between departments, kept on hold and repeatedly given incorrect contact details. She says she was left not knowing what the outcome of her claim would be, and with no idea when she could expect to hear. She's told us that the whole situation caused her significant stress and anxiety, and that she was unable to carry out some of her work duties because she didn't have a car.

Churchill acknowledged that there had been a delay in the engineer inspecting Ms F's car. It initially offered her £75 to reflect this, but later increased its offer to £250.

One of our investigators considered Ms F's complaint and thought it should be upheld. He said, in summary that the £250 compensation that Churchill had offered was reasonable to reflect the distress and inconvenience Ms F had experienced as a result of Churchill's handling of the claim. But he thought that it should also pay her for loss of use of her car during the additional time that the claim had taken. And he said £10 per day was fair to reflect this. As Churchill had taken four weeks longer than the investigator thought it should have done to arrange an engineer's assessment of Ms F's car, he said it should pay Ms F £280 for the loss of use of her car, in addition to the £250 it had offered her.

Churchill didn't agree with the investigator's view, so the complaint's been passed to me.

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 done so, I've reached the same conclusion as the investigator, and for similar reasons.

It's not in dispute that Ms F's policy didn't provide for a courtesy car if her car was written off. But I think it would have been reasonable to expect Churchill to arrange for an engineer's inspection to be carried out within two weeks of being notified of the accident. As it was, it took around six weeks. This meant that Ms F was left without a car for roughly four weeks longer than she should have been. During that time she had to find other ways of getting around. And I think it's reasonable to require Churchill to compensate Ms F for this.

I accept that having the situation hanging over her, unresolved, for such a long time would have been stressful for Ms F. And I consider Churchill's handling of her claim to have been poor, resulting in Ms F having to chase for updates and spend large amounts of time on the phone. This could have been avoided if Churchill had dealt with Ms F's claim within reasonable timescales and had communicated clearly with her.

In response to the investigator's view, Churchill said that it believed the £250 it had offered Ms F was reasonable to reflect the delay in dealing with her claim. And it said that in reaching that figure, it took into account the fact that Ms F may have had additional travel expenses. But like the investigator, I consider the £250 that Churchill has offered Ms F to be reasonable to reflect the distress and inconvenience that she experienced. I don't, however, consider it to be enough to reflect the loss of use of Ms F's car. Due to delays in arranging the engineer's inspection, Ms F was without a car for around four weeks longer than she might reasonably have expected to be. And I consider compensation of £10 per day to be reasonable and appropriate to reflect this.

Putting things right

To put things right, Churchill should pay Ms F the £250 it has already offered her, if it has not already done so. And in addition to this, it should pay her £280 to reflect the loss of use of her car.

My final decision

My decision is that I uphold this complaint. I require UK Insurance Limited, trading as Churchill, to put things right by doing as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 17 August 2023.

Juliet Collins
Ombudsman