

The complaint

Mr S complains One Insurance Limited failed to provide a courtesy car for the duration of a motor insurance repair.

What happened

In May 2022 Mr S made a claim against his One Insurance motor policy. A few weeks later the insurer's approved repairer took possession of his damaged car. Mr S was told he would be provided with a courtesy car for the duration of the repairs. However, following One Insurance's instruction the hire company retrieved his courtesy car in late September 2022 - despite his own car not being repaired until January 2023.

Before his own car was returned to him Mr S complained to One Insurance about being left without a courtesy car. In November 2022 One Insurance issued a final response. It explained a delay in repairing his car was due to a shortage of parts. It apologised for instructing the courtesy car be taken back in September 2022. To recognise the impact of its mistakes it paid him £250.

Our investigator assessed the complaint. He felt the policy terms meant Mr S should have been provided with a courtesy vehicle for the duration of repairs. He was persuaded the courtesy car had been recalled from Mr S by the hire company about four months before repairs were complete. He recommended One Insurance pay him £10 per day for loss of use of the courtesy car.

The investigator felt the £250 compensation paid was enough to recognise the inconvenience caused to Mr S by it taking too long to collect his car and arrange a courtesy car at the start of the claim. But he felt it should pay him a further £250 compensation. This was to recognise the distress and inconvenience caused by it not responding effectively to his attempts to explain the car had been taken from him.

One Insurance didn't respond to the investigator's recommendations, so the complaint was 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.

Mr S' policy summary says he will be provided with a courtesy car if his own car is being repaired by one of One Insurance's approved repairers. A claim letter sent to him in May 2022 explains he will be provided with one for the duration of the repairs. One Insurance seems to accept he was entitled to one whilst repairs were ongoing – it accepts it cancelled this by mistake.

One Insurance apologised for the courtesy car being taken back in September 2022. It's since said Mr S was provided with one after this date. Mr S denies this. He's shown an invoice from the hire company showing the car was returned in September 2022. And

One Insurance hasn't provided anything to support what it says. So I'm persuaded Mr S was entitled to a courtesy car from early May 2022 until late January 2023 – but was only provided with one from mid-June 2022 until late September 2022.

I've considered the impact of this on Mr S. He says he required a car for his job, to enable him to visit clients. Being without one left him reliant on public transport and taxis. I'm satisfied Mr S incurred additional transport costs because of One Insurance's failure. To make up for this the fair and simple resolution will be for it to pay him £10 per day – from 28 September 2022 until 23 January 2023 – so a total of £1,180.

I haven't included £10 per day for the weeks in May and June 2022 when Mr S was without a courtesy car. In my opinion that period is covered by the £250 One Insurance awarded in its November 2022 final response. It works out at a bit less than £10 per day, but I'll accept that as a fair amount to cover additional transport costs for that time.

Our investigator recommended One Insurance pay a further £250 compensation. I think that's a fair amount to compensate Mr S for the distress and inconvenience (separate to the additional costs) experienced across many months because of its poor service. I won't list every factor, just a few to illustrate. The lack of courtesy car and public transport meant on occasions he had to walk up to seven miles to work appointments – in the winter weather. He says he made numerous attempts to get One Insurance to reissue a car, but on each occasion was unsuccessful. This doesn't surprise me. Even after it accepted its mistake, in the final response letter, it failed to arrange a car for him.

My final decision

For the reasons given above, I require One Insurance Limited to pay Mr S £1,180 for loss of use and £250 compensation (making £1,430 paid in total).

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 15 June 2023.

Daniel Martin
Ombudsman