

The complaint

Miss T says Highway Insurance Company Limited delayed excessively in dealing with a claim she made on her motorhome insurance policy and provided poor service overall.

What happened

Initially, I was minded to require Highway to pay Miss T £750 compensation for distress and inconvenience. I thought there was excessive delay in moving the claim on and in repairing her van. I thought Miss T had faced much loss of enjoyment from using the van for breaks and holidays - and that there was evidence from the start of very poor service on Highway's part, which continued for many months. I didn't think it should have to pay Miss T for the loss of income from renting out her van, as there was no evidence of that loss. And I said there was nothing to show that she'd had to pay as much as £2,000 to rent a van for a holiday. My understanding was that her own van (in good repair) could have been rented for much less.

Miss T said she'd paid £1,000 a week for a much inferior van, as it was the cheapest she could find at short notice in peak season. I wasn't sure initially that Miss T had done all she could to mitigate her losses. But later she provided evidence that she'd hired only a two-berth van (when her own van was six-berth, and she'd planned for four people to go on the holiday). Miss T also showed that the hired van wasn't equipped to the high standard of her own van. In particular it didn't have the facilities required for 'wild' camping, so Miss T had to stay at formal camp sites, which hadn't been her intention. And the van didn't have a roof rack to carry water sports equipment, which further detracted from her enjoyment.

I noted that Miss T had been without her van throughout the entire spring, summer and autumn. So I thought it was reasonable for her to claim for one major trip she'd have made in her own van (in greater comfort and with more freedom) but for the poor service provided by Highway. Provisionally, I said I thought it would be fair and reasonable for it to reimburse her for the cost of hire (which the invoice showed was £2,055), plus interest, as well as £750 for distress and inconvenience.

Miss T had also complained to us that when the van was finally returned to her, there was a great deal of extra damage to it. I said she'd have to make a separate complaint to Highway about that, as it wasn't part of her original complaint. I didn't agree with her that the investigator who dealt with her complaint initially at this Service had said we could deal with it, as the file showed he'd said she should report the damage to Highway for it to review.

I asked the parties to comment on my provisional findings. Miss T accepted them without further comment, and Highway didn't respond.

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.

As neither of the parties said anything that would lead me to reconsider my recent provisional findings, I don't think there's any reason they should be changed. So, for the

reasons set out above, my final decision is that I uphold this complaint. Highway should now compensate Miss T accordingly, in line with my requirements.

My final decision

My final decision is that I uphold this complaint. I require Highway Insurance Company Limited to do the following:

- Pay Miss T £750 compensation for distress and inconvenience
- Refund £2,055 to Miss T for the hire she had to pay - and add interest, at the simple yearly rate of 8%, from the date of her payment to the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 14 July 2023.

Susan Ewins

Ombudsman