

The complaint

Miss M complains about how One Insurance Limited handled her claim on her motor insurance policy. She wants compensation for her losses and distress.

What happened

Miss M was involved in an incident, and she made a claim to One Insurance. But she was unhappy with the progress of repairs to her car. She said she had to spend a lot of time chasing One Insurance for updates. And she was without a courtesy car which caused her inconvenience and she incurred expenses. One Insurance agreed that it had caused delays in the claim. It paid Miss M £250 compensation for this. But Miss M remained unhappy.

Our Investigator recommended that the complaint should be upheld. She thought One Insurance's compensation offer wasn't sufficient for the impact of its repeated errors over several months. She thought it should increase this to £500, in keeping with our published guidance. And she thought One Insurance hadn't considered Miss M's loss of use of her car. So she thought it should review Miss M's expenses for the time she was without transport.

One Insurance replied that Miss M had been without a courtesy car for two weeks and so it thought its offer of £250 compensation was fair and reasonable.

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.

Miss M has provided an account of her claim journey. She said it took about three weeks for One Insurance to decide that it couldn't provide her with an approved repairer due to her location and so she could use her own garage. During this time Miss M was without transport and had to borrow from family or get lifts and the stress affected her mental health and her work.

Miss M then had difficulties obtaining a hire car in lieu of the courtesy car her policy provided. She spent two weeks trying to arrange this. She said One Insurance offered her £15 a day loss of use for a period whilst her car was being repaired, but this wasn't followed up. Miss M said she was without a car for two months. I can understand that this must have been stressful for her, and I can see that she had to spend long periods on hold waiting for One Insurance to update her.

One Insurance agreed that it had been unable to provide an approved repairer and so it had authorised Miss M to use her own garage and it would provide a hire car. Repairs were authorised a month after the claim was lodged. This is longer than I would expect even given the holiday period and the difficulties in locating a suitable repairer. So I don't think this was fair and reasonable.

One Insurance's agent then made an error by cancelling the hire car instruction. And when Miss M was later provided with a vehicle, there were issues with it. But the agent didn't follow this up. So Miss M was left without a car whilst hers was being repaired.

I can see that Miss M's policy provides for a courtesy car whilst hers is being repaired by an approved repairer. One Insurance has confirmed that it agreed to arrange hire for Miss M as it couldn't arrange repairs by its approved repairer network. It also told Miss M, in its letter following her claim:

For any 'fault' incident, you will be provided with a replacement courtesy vehicle for the duration of your repairs... In cases where your vehicle is no longer safe to drive, we will endeavour to provide a replacement vehicle as soon as possible, in the event the vehicle can be deemed economically correct to repair.

Miss M said her car wasn't driveable. And One Insurance's engineer's report doesn't state that it was roadworthy. So Miss M should have been provided with a replacement car from the point One Insurance decided that the car could be repaired, which seems to have been a week after the incident.

But this didn't happen, and Miss M was without transport for two months, not for two weeks as One Insurance has said. During this time, Miss M had to chase One Insurance for updates. She was kept on hold for long periods and needlessly due to receiving automatic letters asking her to contact it. She had the stress of arranging alternative transport and she has said she lost business when transport wasn't available.

When a business makes a mistake, as One Insurance 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 error had on the consumer.

Miss M said One Insurance made her an offer of £15 a day for her loss of use when it would have cost her over £50 a day to hire a replacement car. I can't see that One Insurance has followed up this offer. And I agree with the Investigator that, to restore Miss M's position, it should review her travel costs for this period so that Miss M is recompensed for her loss of this policy benefit.

One Insurance paid Miss M £250 compensation for its poor claims handling. But I'm not satisfied that this was sufficient in the circumstances to compensate Miss M for the impact its repeated errors had on her over a period of two months. Our Investigator recommended that this should be increased to £500, and I'm satisfied that this is fair and reasonable as it's in keeping with our published guidance for this level of trouble and upset.

Putting things right

I require One Insurance Limited to do the following:

1. Pay Miss M a further £250 (£500 in total) compensation for the distress and inconvenience caused by its handling of her claim.
2. Contact Miss M and review her expenses for the period she was without a car, in keeping with the policy's terms and conditions and what is fair and reasonable.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 16 October 2023.

Phillip Berechree
Ombudsman