

## **The complaint**

Miss W has complained about her car insurer Covea Insurance plc, regarding repairs it completed to her car after she was involved in an accident.

## **What happened**

Miss W had an accident in July 2021. Covea took her car for repair. The car was returned to her in November 2021 – there had been a delay in some parts being obtained. Miss W took the car to a local garage on 19 November 2021 as she was concerned about the car's steering. She then called Covea in late December 2021. Covea agreed to check the car – the car was returned to Covea's garage on 19 January 2022.

Covea felt the steering issue wasn't likely linked to the incident and its initial repairs. But it agreed for a manufacturer garage (MG) to assess the car. Covea said Miss W should pay for transport to the MG and get a report. All of which it would reimburse if it was found the steering was related to the incident/repairs. The car was moved and Miss W said the report was due 7 February 2022. A report wasn't provided but in March 2022 a service advisor for the garage said the steering issue, and a snapped suspension spring, had likely resulted from the accident. Covea didn't think that was enough – but said it would review the matter again if Miss W got an engineer's report.

In May 2022 Miss W obtained an engineer's report. She sent this to Covea and Covea agreed to fix the steering issue under the claim. But there were several other issues with the car Miss W also thought Covea should be covering, identified by the MG (where the car was still sited). But Covea thought they were wear and tear issues. The MG agreed a price for repair of the steering with Covea – but said the other issues needed fixing too and it couldn't do the steering in isolation. Covea issued a final response on 5 July 2022 confirming it had authorised repairs for the steering issue. Miss W had also complained about not having a courtesy car whilst hers was away for repair. Covea, in its final response, said that was because Miss W had told it, in January 2022, that she did not need a courtesy car to be provided by it as she had hired a car herself.

Miss W remained unhappy. She said she thought Covea should now be finding her car a total loss – that it would have done that during the initial repairs if it hadn't missed the steering issue. She also disputed Covea's view that the other necessary repairs were wear and tear – not least as she had not really driven her car since the accident the year before. When Covea wouldn't agree to total loss the car, or authorise the other necessary repairs to be done, Miss W arranged for her car to be returned to her with no work having been done to it. Covea, in January 2023, paid Miss W £2,524.80 – which was the cost, including VAT, the MG had given for repair of the steering. Miss W had already complained to the Financial Ombudsman Service, and our Investigator reviewed her complaint.

Our Investigator didn't think Covea had been unfair in its handling of her claim. But she did think it should reimburse Miss W's report costs of £45.00 and £120.00. Covea agreed. Miss W remained unhappy – she didn't think it was fair that having had an accident, and repairs completed under her insurance policy, she now had a car she could not drive. The complaint was passed to me for an Ombudsman's consideration.

I felt it should be upheld in part. With Covea reimbursing the two report costs incurred by Miss W and for her hire costs incurred in late January and early February 2022. Further, I felt it should be paying interest on the cash settlement sum paid in January 2023, reimbursing Miss W's outlay for moving her car to the MG in February 2022 and paying her £300 compensation for distress and inconvenience. But I wasn't otherwise minded to make Covea do anything more. My provisional findings were:

*"Once Miss W obtained the engineer's report in May 2022 it was reasonably obvious that the steering issue was related to the incident. And she later provided this service with a short report by a garage completed in November 2021, showing the steering was an issue within a matter of days of the car being returned to her. But, whilst reviewing this complaint, I've had to think about what Covea reasonably knew when Miss W first told it of her concerns about the car. Of course the car should have been fixed fully in the first place but sometimes things are missed and, when that happens, I'd expect an insurer to act reasonably – based on the detail available to it at that point – and to consider and look into the concerns notified to it.*

*Whilst Miss W took the car to another garage in November (at a cost of £45.00), she did not contact Covea about the steering until late December. She said she'd been driving the car in the meantime and Covea noted that Miss W generally uses her car more than the average person. Miss W has described to us the amount she uses her car each day and she does travel quite a lot. Miss W did not show Covea the November report from the garage at that time. Covea was also aware that there is a known manufacturer fault with the steering on the model type of Miss W's car. Given the possibility of a manufacturer fault, that Miss W had been using the car for nearly two months since the initial repairs and her unusually high mileage, Covea wasn't prepared to just accept the steering was a missed repair from the accident. I think that was reasonable.*

*However, Covea did agree for its approved garage to reassess the car. At this time, it wasn't prepared to provide a courtesy or hire car for Miss W – it felt she hadn't taken care of the car she'd been given to use during the initial repairs. I think that was reasonable of it. But when Miss W said she'd hired a car herself, as Covea was inspecting her car, I think it should have offered to cover her hire costs. When Covea inspected the car it felt it had to be referred to the MG. The MG was due to report on the car on 7 February 2022. I think it's reasonable to require Covea to reimburse Miss W's hire costs from 19 January 2022 until 7 February 2022, plus interest. Miss W will need to show proof of her outlay to Covea for it to pay her.*

*I'm not asking Covea to pay Miss W's hire costs beyond that time. At that time Covea had been asking for evidence from Miss W to tie the steering issue to the accident. The MG was acting for Miss W in respect of providing a report. It didn't do that at the agreed time, and when it did comment on the issue that was from a person not suitably qualified to make such a determination. I don't think it was unreasonable for Covea to have expected at least a mechanic assessing Miss W's car to have commented on the steering issue and I can understand why it wasn't prepared to accept the view of the service advisor. That caused Covea to ask for an engineer's report from Miss W, and I think that was a fair and reasonable request in the circumstances.*

*It took Miss W until May 2022 to get an engineer's report (at a cost of £120.00). This commented on the steering issue. It was presented to Covea on 18 May 2023 and Covea was persuaded it reasonably showed the steering issue had resulted from the accident. It authorised the repairs but it knew by then that Miss W had concerns about other faults with the car which needed fixing. And which it had said it was not responsible for. That being the case, I think Covea should have paid cash to Miss W in May 2022 to allow her to fix the steering issue. It paid Miss W £2,524.80 in January 2023. It should now pay an amount to her equivalent to interest on this sum applied from 18 May 2022 until settlement was made.*

*Covea has agreed to reimburse the £120.00 fee for Miss W's engineer's report. It should add interest to that sum from 18 May 2023 until settlement is made. Our Investigator has sent Covea proof of this charge already, along with that for the £45.00 November report, so Miss W won't have to send Covea anything further in this respect.*

*It was Covea's view that the MG needed to comment on the steering issue. There was a cost to move the car there and it has subsequently been shown, and accepted by Covea, that the steering issue was accident related. If Miss W can show Covea proof of payment to the transport company which moved her car, Covea should reimburse this, I know Miss W is having some trouble finding receipts – she may like to contact the transport company to see if it can provide a copy or other confirmation of payment. As Covea hasn't been shown proof of this cost before, I won't require it to pay interest.*

*I think this has been a difficult time for Miss W. But I can also understand that Covea has, at times, reasonably not been able to progress matters because it's been waiting for evidence from Miss W. I'm also mindful too that Miss W feels Covea is responsible for more repairs to the car than just the steering. I'll explain below why I think Covea's position regarding the other faults is fair and reasonable. Taking into account what has happened, I think £300 compensating is fairly and reasonably due. Miss W will likely feel that is insufficient. But I'd emphasize that after 7 February 2022, Covea was waiting for evidence to show the steering issue was accident related and it didn't get sufficient evidence in this respect until May 2022, whereupon it quickly gave the MG authorisation to complete the repairs. And the MG only couldn't complete that work because of the other faults Covea wasn't liable for fixing. So Covea isn't, in my view, reasonably responsible for Miss W being without her car for such an extended period.*

*The other faults/things Miss W feels Covea should fix, which it has disagreed with, are:*

- *Snapped suspension spring.*
- *Brake pads and discs.*
- *The battery is flat and needs replacing.*
- *Faulty sensor in exhaust, triggering warning light on dash.*
- *MOT.*

*Miss W hasn't presented any expert report on these issues. There is the comment from the service advisor at the MG about the suspension spring. But as with the steering, their opinion doesn't amount to an expert view, so it isn't persuasive. Disc brakes and pads are subject to wear and tear – with Miss W having used the car after it was returned to her in November 2021 until it went to Covea's garage for reassessment in January 2022. The battery may well have suffered as a result of the car being stood so long – but as I said above, I don't think that was due to any unreasonable action of Covea. The faulty sensor is in the exhaust so it seems unrelated to a front-end collision. An MOT was needed in the normal course of Miss W owning the car. Overall I'm satisfied that Covea has fairly determined that it is not responsible for fixing these issues.*

*Finally, I know that Miss W, the above "other" faults aside, feels that Covea should be viewing her car as a total loss. She feels that it would have treated the car as a total loss in 2021 had it correctly identified the steering issue as a part of the overall necessary repair. I'm not persuaded that is most likely, although it is possible (the market value was around £18,000 with the total cost of repairs, including the steering, at around £11,000). But this isn't a situation where none of the repairs have been done, or they all need re-doing. Rather Covea has paid around £9,000 completing all repairs but the steering, and had paid Miss W just over £2,000 so she can have the late-identified steering issue fixed. I think it would be*

*unfair and unreasonable in the specific circumstances of this complaint to make Covea take the car, treat it as a total loss and pay Miss W its market value.”*

Covea did not respond to my provisional decision. Miss W said all this – the damage to her car which wasn’t fixed and the refusal to offer a courtesy car – was all the fault of the repairing garage. Which all led, she said, to her being without her car for an extended period despite having paid her excess and insurance premium. Miss W said two years of stress and her car returned to her in a broken state are just not acceptable – the car should be roadworthy.

### **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 appreciate that this has been a difficult time for Miss W. Covea is her insurer and it authorised the repair of her car. So the error by the garage in returning the car to her with an unidentified and unrepaired fault, was Covea’s error. Further, whilst I felt the garage and therefore Covea was not unreasonable in not offering a replacement car to Miss W, I did think Covea should have extended an offer to her to cover her hire costs.

I explained provisionally why I felt that Covea was not responsible for Miss W having been without the use of her car since enquiries into the condition in which it was returned to her began. I also explained why I felt Covea had reasonably denied liability for the faults with the car (other than the steering) identified by Miss W after her car was returned to her in 2021. I remain of those views.

Having reviewed the complaint in light of Miss W’s reply, my view on it remains unchanged. As such my provisional findings, along with my comments here, are now the findings of this, my final decision.

### **Putting things right**

I require Covea to pay Miss W:

- £45.00 as reimbursement of the cost incurred for the November report.
- £120.00 as reimbursement of the engineer’s May report, plus interest\* applied from 18 May 2022 until settlement is made.
- An amount to reimburse her hire costs incurred for a hire vehicle from 19 January 2022 to 7 February 2022, plus interest\* added on to each amount reimbursed from the date Miss W paid it until 28 days after Miss W tells us she accepts my final decision (if it remains the same and she does), or until she presents the evidence, whichever is sooner. If Miss W does not provide proof of her outlay, it won’t have to make a payment.
- An amount equivalent to interest\*, on the sum of £2,524.80, applied from 18 May 2022 until settlement of that sum was paid to Miss W in January 2023.
- An amount as reimbursement of the cost Miss W incurred to move her car from Covea’s garage to the MG in January/February 2022. Miss W will need to show Covea what she paid, if she doesn’t present proof of this to Covea, it won’t have to make a payment.
- £300 compensation for upset.

\*Interest is at a rate of 8% simple per year and paid on the amounts specified and from/to the dates stated. HM Revenue & Customs may require Covea to take off tax from this interest. If asked, it must give Miss W a certificate showing how much tax it's taken off.

### **My final decision**

I uphold this complaint. I require Covea Insurance plc to provide the redress set out above at "Putting things right".

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

Fiona Robinson  
**Ombudsman**