

The complaint

Mr A complains about how Wakam has dealt with his claim on his commercial motor insurance policy.

What happened

Mr A is a taxi driver and had an insurance policy for his vehicle that was underwritten by Wakam.

In August 2021 he made a claim after a third party crashed into his vehicle causing damage to it. Wakam accepted the claim and arranged repairs.

Mr A provided details of the third party vehicle, the police reference number and contact details for witnesses. However the third party denied knowledge of the incident and Wakam were unable to obtain statements from the witnesses. It also took some time for it to obtain a copy of the police report.

Due to this the claim was registered as a 'fault claim' while it was being settled which impacted Mr A's policy premiums and no claims discount.

Mr A made a complaint. He said the delays caused by Wakam had led him to lose income as he was without a vehicle. And he'd had to pay more for his policy premiums each month because Wakam hadn't being proactive in obtaining a police report or witness statements. He was also unhappy that Wakam hadn't agreed to repair damage to the bonnet of the vehicle as it said the damage wasn't related to the accident. Wakam didn't uphold the complaint so Mr A asked this service to investigate.

Our investigator recommended the complaint be upheld. She thought there was enough evidence to show that the damage to the bonnet was related to the accident so thought Wakam should pay for this repair. She also thought it should pay loss of earnings for the delay it caused when Mr A's car was in for repair which she calculated as nine days. And she thought it should pay £200 compensation to apologise for delays and poor service.

Wakam didn't agree with the outcome. It initially said that it had repaired the damage to the bonnet as a gesture of goodwill and it said Mr A had caused the delays himself, so it shouldn't have to compensate for these.

As agreement hasn't been reached, the complaint has come to me to decide.

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.

Damage to bonnet

Mr A has been clear and consistent in his description of the damaged areas of his vehicle, from the first time he notified Wakam of the claim. He has always highlighted the damage to the bonnet and has shown that the repair to this area is still outstanding.

While Wakam has said it doesn't think the damage is related to the accident, it's provided very little evidence to support this position. In fact, in its internal claim notes it comments that the damage may have been caused by the accident. And in its response to this service it has said it thought it covered these repairs as a good will gesture.

Mr A has shown that the repairs to this damage are still outstanding and, as Wakam hasn't done enough to show the damage isn't related to the accident, I agree with our investigator that it should cover the cost of a repair.

While Mr A has estimated the cost to be around £1,000, I wouldn't expect Wakam to pay for the repairs without any proof of this. So Mr A will need to provide a quote for the repairs, which Wakam should reimburse.

Delays

From the timeline of the events provided by both sides, there's no dispute that Mr A caused some delay in delivering his vehicle to the repair garage. However Mr A has complained that once his vehicle was at the garage, it took far longer for Wakam's chosen repairer to return his vehicle than it should have.

Wakam has explained that for some of the time, it had to pause repairs while it considered which damage was accident related. And this isn't unreasonable. It needs to determine if the vehicle is repairable or whether the repairs are greater than a certain value that would make it more economical to write off. It's repairer also needs to know which damage it is able to repair.

However it's admitted that, once the accident damage was decided, the repairs took nine days longer than they should have, because of demand on the services of the garage. And I've not seen anything to show that Wakam attempted to have the repair done sooner, by looking to appoint a different repairing garage for example. For this reason, I agree with our investigator that the nine days delay could have been avoided. And for that reason Wakam should compensate Mr A for the loss of earnings he experienced during that time.

Wakam's solicitor has agreed that Mr A earned on average £78.44 per day based on the 20 weeks before the accident. So I agree Wakam should base the settlement on this day rate.

Premiums and no claims discount

The third party involved in this claim has denied knowledge of the incident. At the point of this complaint, Wakam hadn't been able to prove liability and therefore reclaim any of its outlay on the claim. At this stage it is usual and reasonable that the claim is registered as a 'fault claim'. This doesn't mean it considers Mr A to be at fault, just that it hasn't reclaimed its costs yet.

Unfortunately, this does have an impact on the no claim discount during that time. And any claim can impact the cost of premiums. So it isn't unreasonable that these have been impacted while this claim is settled.

Having said that, from what I've seen I think Wakam could have done more to prove liability sooner. While I can see it sought to obtain a police report from the start of the claim, when it was asked for payment for this it has taken many months to arrange this. And Mr A provided the contact details for the witnesses but has had to chase Wakam in order for it to take any action in obtaining and chasing up statements. I think had it been more proactive with both of these steps, it may have resolved things more quickly.

Based on this, I agree with our investigator that it should pay Mr A compensation to apologise for the slow progress of the claim. And £200 is in line with what this service has offered on other similar complaints so I agree this is a fair amount in the circumstances.

My final decision

For the reasons I've given, I uphold Mr A's complaint and direct Wakam to:

- Pay for the repair to the bonnet on receipt of proof of the cost from Mr A.
- Pay Mr A nine days loss of earnings at a rate of £78.44 per day.
- Pay Mr A £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 September 2023.

Sophie Goodyear
Ombudsman