

The complaint

Mr K has complained about his car insurer U K Insurance Limited (UKI) regarding the settlement it has paid for his replacement windscreen.

What happened

Mr K has a policy with UKI which includes cover for repairing/replacing his windscreen. It was damaged in December 2022 and he arranged to use a local dealership whom he believed to be an approved windscreen supplier as defined in the UKI policy. The replacement screen cost him £1,080.49.

UKI wouldn't agree to reimburse that sum to Mr K. It said the garage Mr K had used was not its approved windscreen supplier. So, in line with the policy wording, it would only pay him £125.00, plus £45.42 for calibration. Mr K complained.

Our Investigator didn't uphold the complaint and it was passed to me for consideration. I felt it should be upheld, that UKI hadn't settled within what the policy terms allow for, so it should be covering Mr K's outlay in full. As such I issued a provisional decision to both parties.

Mr K said he was satisfied with my decision. UKI said it had no objection to my findings.

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 said provisionally:

"UKI's policy sets out definitions for words and phrases used within its policy which have special meaning. There are two of relevance here which sound similar but are distinctly different in their meaning and implication. And only one actually applies to the windscreen cover. UKI, in its replies to Mr K and our service has talked a lot about Mr K not using its "approved repairer". The policy defines "approved repairer" as:

"A repairer in our network of contracted repairers who's approved by us to carry out repairs to your car following a claim under the policy."

So it's quite specific. An approved repairer isn't just any garage with capability of working on and/or relevant expertise to allow it to work on any particular car. The definition explains that the policyholder can expect UKI to want to use certain traders only, with it being up to UKI to say who an approved repairer is. I think if I was assessing Mr K's complaint against that term, I might have some sympathy with UKI's position. But this is about Mr K's windscreen and the policy cover for windscreens does not rely on the phrase "approved repairer".

The phrase of relevance to the windscreen cover is "approved windscreen supplier". The policy says that if "an approved windscreen supplier" is used, UKI will pay for repair or replacement up to the market value of the car. And if a "different supplier" is used, only a

limited payment will be made. As UKI was only prepared to pay Mr K £125, and an amount for calibration which was also necessary, this is what UKI was relying on – that Mr K used a “different supplier”, not an “approved windscreen supplier”. The problem for UKI though, as I see it, is that the policy definition for “approved windscreen supplier” is not specific in the way “approved repairer” is. Rather, for “approved windscreen supplier”, the policy says it is “a repairer approved and authorised to repair or replace your car’s windscreen”. There’s nothing to put Mr K on notice that UKI intends for that approval and/or authorisation to come from it, that any repairer not chosen by UKI will not be considered to be an “approved windscreen supplier”. And it seems the garage Mr K used was viewed by his car’s manufacturer as an approved windscreen supplier – it had the capability and expertise to replace the windscreen for Mr K’s car.

As such, I don’t think UKI can fairly restrict its settlement to Mr K to that paid when a “different supplier” (other than an “approved windscreen supplier”) is used. So I intend to require it to pay Mr K £1,080.49, less both the settlement already made and the policy excess of £75, but with interest. UKI’s decision did frustrate Mr K, but I’m not minded to make it pay compensation for this relatively minor upset.”

Given the replies from the parties, I’ve no need to make further comment or change my provisional findings. They are now those of this, my final decision.

Putting things right

I require UKI to pay Mr K:

- £835.07 being the sum Mr K paid (£1,080.49) less the policy excess and payments already made by UKI for replacing the windscreen, plus interest* from the date it settled the other sums until this settlement is made.

*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 UKI to take off tax from this interest. If asked, it must give Mr K a certificate showing how much tax it’s taken off.

My final decision

I uphold this complaint. I require U K Insurance Limited to provide the redress set out above at “Putting things right”.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr K to accept or reject my decision before 4 September 2023.

Fiona Robinson

Ombudsman