

## **The complaint**

Mr C has complained that Skyfire Insurance Company Limited unreasonably delayed in dealing with his claim under his motor policy and then unfairly declined to pay his claim.

Further he wasn't given a hire car and had to pay £2,000 in taxi fares taking his child for medical treatment.

He also complained that his car was returned from the salvage yard with further damage.

## **What happened**

Mr C claimed his car was damaged whilst going through a car wash and supplied an estimate to Skyfire stating his differentials needed repairing.

Skyfire's engineers inspected the car and found the damage to be caused by normal wear and tear which is a problem with the make and model of Mr C's car. It also obtained evidence from the car wash company who explained that Mr C had driven his car in the carwash which he shouldn't have done which caused the issues.

So Skyfire refused to pay Mr C's claim. However, it acknowledged its service to Mr C was overly delayed in inspecting his car, so it paid Mr C £250 compensation. It also said he reported the claim too late in order to receive the hire car so that was unavailable to him. Mr C remained dissatisfied and brought his complaint to us. The investigator thought Skyfire hadn't done anything wrong as regards the claims decision. But he didn't think Skyfire had shown that the car didn't sustain further damage whilst in the salvage yard so he thought Skyfire should repair this further damage and increase its payment of compensation to a total of £450.

Mr C didn't agree so his complaint has been passed 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.

Having done so, I'm upholding this complaint along the same lines as that of the investigator. On the basis of what the car wash company said about how the car wash operated and faults showing on its system I consider it's more than unlikely Mr C's car was damaged by the car wash itself.

Further the engineering evidence is clear that the failed differentials was more likely to be caused by mechanical wear and tear. They report that there were metal filings in the oil which indicates this is a long-standing issue. They alluded to this being a known issue with the make and model of Mr C's car.

Therefore, I don't consider Skyfire did anything wrong in not processing Mr C's claim for the total loss of his car, given no insured event happened.

However, from the photo's Mr C produced there does seem to be some further damage, which Mr C believes was caused in the salvage yard where his car was being kept whilst his claim was being progressed. It has since been returned to him. Skyfire indicated it would continue to investigate this whilst waiting for my decision. I do consider the damage appears to be in keeping with how cars are moved about whilst in a salvage yard. Therefore, I consider it's reasonable to expect Skyfire to repair this damage or pay Mr C the costs of repairing this damage.

There were issues with the hire car which resulted from Mr C actually reporting the claim too late to receive a hire car. On this basis and given his claim wasn't valid, I don't consider Skyfire needs to pay Mr C's taxi costs.

There is no dispute that that Skyfire did delay in dealing with Mr C's claim. It acknowledged this and paid Mr C £250 compensation which I consider is reasonable and in line with what I would have awarded had it not done so. But given the additional damage issues and the delay in dealing with that aspect, I think it's reasonable and fair to pay Mr C further compensation. I agree with the investigator's thoughts on this and consider Skyfire should pay a further £200 compensation to Mr C. This claim has been unreasonably protracted and difficult for Mr C, so I consider an overall award of £450 compensation to be fair in these circumstances.

### **My final decision**

So, for these reasons, it's my final decision that I'm upholding this complaint.

I now require Skyfire Insurance Company Limited to do the following:

- Repair the damage caused in the salvage yard or pay Mr C the costs of repairing it himself.
- Pay Mr C a total of £450 compensation for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 October 2023.

Rona Doyle  
**Ombudsman**