

## **The complaint**

Mr M has complained about his van insurer U K Insurance Limited (UKI) regarding a claim he made when his van was stolen.

This complaint is about poor service and resultant financial loss. There is a separate complaint considering Mr M's concerns about the market value settlement UKI paid to settle the theft claim.

## **What happened**

Mr M is self-employed and used his van (a 2013 registration plate) for work, UKI insured the van for this. Mr M had also paid UKI to increase his cover so it provided a hire van in the event of a loss or accidental damage.

Mr M's van was stolen on 7 November 2022. He was told there was a £400 excess and that the system didn't show he had cover for a hire van. UKI corrected the excess amount the same day to £450 and told Mr M it was unsure why he'd been given an incorrect figure. It also realised a technical issue was affecting its system regarding the hire van. It instructed a hire company to provide a replacement van for Mr M – but no replacement van was provided. Mr M told UKI he was losing work. On 21 November 2022 Mr M bought, and had delivered, a new (to him) van so he wouldn't lose out on more work.

The new van Mr M bought was priced at £20,994 plus VAT, it was a 2016 registration plate and had done 70,000 miles. He thought UKI should compensate him for having to buy this van. He told UKI that, prior to buying the van, and since the theft, he'd lost £800 a week in earnings. He said he expected UKI to reimburse him plus interest. He remained unhappy about the incorrect information he'd been given when he first contacted UKI.

Regarding the incorrect information UKI issued a final response. It said it accepted there'd been poor service. It apologised and paid Mr M £100 compensation.

Mr M complained to the Financial Ombudsman Service. Following enquiries and investigations undertaken by our Investigator, UKI said it didn't feel Mr M had evidenced a loss of earnings. UKI didn't comment on the new van.

Our Investigator felt UKI had adequately compensated Mr M for the incorrect information. She noted the only evidence Mr M had provided about lost earnings was confirmation from customers that he had been booked to work for them on certain relevant dates. She said that didn't evidence a financial loss, but UKI could consider more detail if such was provided. She accepted though that Mr M would have been inconvenienced by not having a van. She felt UKI should pay him £300 compensation. Regarding the new van she felt it had been up to Mr M to mitigate his situation – which he appeared to have done. But, having noted the policy cover for hire, which sets out redress to be paid in the event a replacement van is not available, she felt UKI should pay Mr M £525 for not providing a hire van.

Mr M didn't feel he had to provide more evidence for lost earnings, he said UKI had not told him he had to provide anything more. He said that his testimony about what he had lost

(£800) a week had been accepted by UKI, he'd then supported that with the detail of bookings by customers. Regarding the van he felt the difference between what UKI paid in settlement and his outlay for the new van should be paid. He also disputed the policy wording relied upon by our Investigator. He said that was not part of the policy documents he had been sent.

Regarding policy documents our Investigator confirmed UKI had shown that documents were sent to Mr M. She noted that he was arguing based on policy documents that did not include wording for hire cover. She pointed out his claim had been considered on the basis of cover being available. Our Investigator confirmed that her view on the complaint had not changed. The complaint was referred for an Ombudsman's decision.

### **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.

UKI accepts that Mr M was initially given incorrect information about the policy excess and not having taken extra cover for a hire van. Its apologised and paid £100 compensation for the distress and inconvenience caused by this. I'm satisfied that's fair and reasonable.

It is also clear that UKI accepts that Mr M was not given a replacement vehicle when he should have been. I don't doubt it was inconvenient for Mr M to be without a van. I think that was likely particularly frustrating when he'd opted to take extra cover to protect himself against such a circumstance. I'm satisfied that £300 compensation is fairly and reasonably due for the two weeks of not having a vehicle.

If Mr M were able to evidence a likely loss of income for that period, I'd expect UKI to compensate for that financial loss separately. And I note UKI had told Mr M during the course of the claim that it would consider his loss subject to evidence being provided. I note it told him it would need detail of bookings, but also tax records and/or bank statements to evidence usual income.

I've considered what Mr M has provided – essentially a number of statements prepared by him that confirm that on certain dates, an individual, who has signed the statement, had contracted with Mr M for work. Contact details for the individuals are (in the main) not given, the contracts are not provided and nor is any detail of what the work booked was, or for what price. I note that, separately Mr M has said he earns £800 a week. But the set of statements does not evidence that the sum stated by Mr M is most likely accurate. It's fair and reasonable for UKI to have wanted to see evidence regarding the likely financial value of the reported loss, before looking to make any compensatory payment. If Mr M has any evidence to support the sums he says he lost, he can send that to UKI.

Clearly after a week or more without a van, Mr M needed transport. His 2013 van had been stolen and he was waiting for a settlement from UKI for that claim, he had no replacement van from UKI despite the extra cover he had taken and he didn't think hiring a van himself was financially viable. Especially because he didn't know when he might receive settlement for the theft claim. So I can understand why Mr M chose to buy a replacement van. I think that was a reasonable action which mitigated the difficult situation he was in.

I accept there was a cost to Mr M for purchasing a new van. I understand that he paid more for that new van than UKI later paid him for his stolen van, in settlement of his theft claim. So I can understand that he feels out of pocket because, in his view, he wouldn't have had to buy a replacement van if he'd had the hire van he'd paid extra for cover for. But I note that the new van Mr M bought was three years younger and had done around 30,000 less miles

than the van UKI was covering. I don't think UKI could reasonably have foreseen that Mr M would buy a younger, lower mileage van in replacement due to the lack of a hire vehicle. And, importantly, Mr M will benefit in the long run from owning a younger, less travelled van – the sale price, if he sells, will likely be higher, and if he keeps the van the maintenance and repair costs will likely be less. I'm not persuaded it would be fair or reasonable to require UKI to pay Mr M the difference between its market value settlement and the cost to Mr M of buying the newer replacement van.

Further the cover for a replacement van provided by UKI sets out what UKI will be liable for in the event a hire van isn't available. That is £25 a day for a maximum period of 21 days. That is £525 and UKI has agreed to pay that to Mr M.

I know Mr M says his policy documents don't show that wording. But I note the policy documents he has presented don't include any wording for van hire. Mr M and UKI are both clear that Mr M did have cover for van hire. And I've considered the evidence UKI provided to show the policy documents it has copies of, containing wording for van hire, were sent to Mr M. I see that the copy document UKI holds seem to be personalised to some extent for Mr M as its front page contains his name. The wording in this document for van hire does say that where a van isn't available, UKI will pay the policyholder £25 a day for a maximum period of 21 days. I'm satisfied that it's fair and reasonable to rely on this wording when considering what redress is due to Mr M for UKI not having provided him a hire van when his was stolen.

### **Putting things right**

I require UKI to pay Mr M:

- £300 compensation for inconvenience caused when he had no van to use for work.
- £525 as a payment due under the policy, for a hire van not being provided.

Mr M can provide further evidence of his lost earnings to UKI if he wishes. If he does, it should consider that.

### **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 M to accept or reject my decision before 24 November 2023.

Fiona Robinson

**Ombudsman**