

The complaint

Mrs G has complained about her car insurer Royal & Sun Alliance Insurance Limited (RSA). Following insured repairs, it returned her car to her with faults and, ultimately, two pre-booked holidays were affected with costs being incurred.

What happened

There was a motorway accident (which was not Mrs G's fault) which occurred whilst Mrs G's car was towing a trailer. The trailer jack-knifed and further impacted the car. In late December 2021 RSA accepted the car was repairable but by the end of January 2022 Mrs G hadn't received any update as to when the car would be ready and she was concerned as the family were due to leave for a holiday, on 11 February, for which they needed their car. They had a hire car but couldn't use it abroad.

On 7 February 2022 the hire company said it was collecting the hire car because Mrs G's car was repaired. Mrs G hadn't been notified of that, following further enquiries she was told the car would be returned in the next few days. On 10 February she was promised it would be with her that day but that didn't happen. On 11 February she was told some final tests were required but it would be with her that day. Eventually the car was delivered on 11 February to a garage where Mrs G had arranged to have an MOT completed on the car before using it for their holiday.

On arrival at the garage though the car had multiple warning lights, alarms sounding, various sensors weren't working, loose wires were hanging out the back of the car and the tow bar was unsecure. RSA's garage was consulted and it was advised the battery would need charging. Ultimately the MOT garage changed the battery and a mechanic from RSA's garage disabled the parking alarm sensor, which was still sounding, so the car could be driven. Mrs G and her family embarked on their holiday five hours late, only to breakdown and have to be returned home, with their car going back to RSA's garage. Mrs G was given a courtesy car by RSA's garage – but it was only a small car. The family managed to go on their holiday two days later with the help of a friend.

At the beginning of March, with the family home, Mrs G and RSA were both chasing the garage for an update on what was happening. Mrs G had another family trip booked at the end of March for which they needed their car. She told RSA she needed her car back by 18 March 2022 or for a hire car of similar size and which could be driven abroad to be provided or paid for. Her car wasn't returned to her, RSA didn't provide a hire car and Mrs G arranged transport herself.

Following investigations RSA's garage felt there was a fault with the car's alternator. It felt this wasn't accident or repair related. It changed the alternator anyway, later telling RSA and Mrs G it had done this as a goodwill gesture. But a fault remained with the parking sensor and further investigations had to be undertaken. It was quite some time before this was resolved and some minor issues remained outstanding.

Mrs G complained about the repair journey, particularly how the car had been returned to her in February. She was also unhappy about the financial loss she had incurred – one day

of costs in February (due to the two day delay in starting the holiday) and the cost of the hire car in March 2022. RSA said it accepted that it had provided a “dreadful” service, and paid £500 compensation, but denied liability for any financial loss. It said the alternator had caused the breakdown, which had resulted in Mrs G incurring costs, and its failure wasn't accident or repair related.

Mrs G complained to the Financial Ombudsman Service. She said she wanted £170 in respect of the February holiday, this being one day's cost for equipment hire and a pass they'd paid for, for the whole holiday, but had been unable to use for one day due to the delay. Also £2,992.98 for car hire for the March holiday. As well as compensation for upset.

Our Investigator felt that the compensation RSA had already paid was fair and reasonable. Regarding Mrs G's financial losses, she initially felt RSA should cover these. But, following challenge by RSA, she felt Mrs G should approach her travel insurer to make a claim for the equipment hire and pass costs. She maintained that the compensation was fair and reasonable and that RSA should pay the hire car costs.

Mrs G felt it was unfair that she should have to make a claim on travel insurance to make up for losses which, in her view, RSA had caused. RSA said that in February / March 2023 the outstanding faults from the accident were minor – affecting only an interior light, the wheel arch trim and the parking sensor bracket. They had not made the car undriveable and it had returned the car to Mrs G with these repairs incomplete only to facilitate her holidays. It maintained that any losses incurred regarding holidays should be referred to Mrs G's travel insurer.

The complaint was referred to me for an Ombudsman's decision. I felt it should be upheld. Whilst I thought the compensation had been fairly assessed and paid by RSA, I felt it should be reimbursing the financial losses Mrs G had identified in respect of her two holidays impacted by RSA's poor repair, plus interest. I issued a provisional decision.

In reply, RSA said it had nothing further to add. Mrs G said she was happy with the outcome but asked that her cost for replacing the battery was reimbursed.

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:

“Before I look into the detail of the complaint, I first want to briefly address RSA's point about Mrs G claiming on her travel insurance. I don't think that's fair or reasonable. If RSA has caused a policyholder a financial loss, it should make things right. It's not fair and reasonable for RSA to shirk its liability, mitigating its outlay, just because a policy exists which might cover that loss. The question then is, is RSA reasonably responsible for the costs Mrs G has asked it to reimburse?”

RSA has maintained that the alternator caused the holiday disruption – that the outstanding accident repairs were only minor, they did not make the car undriveable. I think RSA is wrong in this respect.

I see that the car was delivered to the MOT garage in February with a host of issues. Including the parking sensor sounding. The sensor was not fixed at that time, merely disconnected. An email submitted by RSA shows that the garage, at the end of March 2022, said it was trying to fix the sensors which had failed since the accident (with the control

module for them being located in the area impacted during the collision). The garage was, at that time, seeking authorisation from RSA to send the car to a manufacturer garage for further testing, not least as it was felt possible that the sensor/control module issue could have been causing a larger electrical problem which had impacted the battery and alternator.

I note RSA also submitted an assessment on the faults with the car from a senior engineer. The senior engineer said:

“On review of the issues relating to the discharging of the battery.....It appears the garage replaced the batteries and then the alternator but then they identified there was still a defect with the discharging of the main battery.....Full diagnosis was carried out and the fault was located with the rear PDC wiring loom.....the results of the diagnosis/investigations were wiring repair and the rear parking sensor module once this was rectified the issues/defects had been cured.”

So the senior engineer’s opinion is that the faults with the parking sensor module caused the problem with the battery. And I note that the module was located in the area of impact damage, with the faulty sensor being one of the issues affecting the car on its delivery to the MOT garage in February 2022. At that time the sensor was disconnected so it didn’t sound but that didn’t rectify the fault. I understand that the car’s battery was replaced which allowed Mrs G to drive the car to embark on their holiday. But the battery discharged with the car breaking down. Based on what I have seen, I have no doubt that breakdown resulted from the sensor module issue.

I think it was unreasonable for RSA to have returned the car to Mrs G in that condition. I think Mrs G mitigated the situation as best she could and it was lucky, for both parties I think, that Mrs G had such a good friend who was able to help the family take their holiday, albeit two days late with one day of paid for activities affected. In my view Mrs G asking for RSA to reimburse her cost for that one day of equipment hire and pass price, which she had no benefit from, is entirely reasonable. RSA has seen the evidence of that cost – £170.80. It will have to reimburse this sum, plus interest applied from 11 February 2022 until settlement is made.*

RSA was still trying to fix Mrs G’s car in March 2022. I appreciate there were some tricky diagnostic investigations being undertaken around this time. But RSA had returned the car to Mrs G in an unsatisfactory state already in February 2022, with that having impacted one holiday. And I see that RSA itself in early March was unsuccessfully chasing the garage for updates. Around mid-March 2022 Mrs G gave RSA notice that a second pending holiday was likely to be impacted if their car was not returned or alternate transport arranged. I think RSA should reasonably have acted then to ensure this did not happen. However, I note that whilst RSA made some enquiries, it didn’t do anything to assist Mrs G and, as a result, she hired a car herself to ensure the holiday could go ahead. I think that was also entirely reasonable of Mrs G. RSA has seen the evidence of the car hire cost - £2,992.98. It will have to reimburse this sum, plus interest applied from 3 April 2022 until settlement is made.*

There were two causes of worry and inconvenience centred on the holidays. With the additional stresses of the car breaking down and frustration caused by the garage’s on-going poor communication. That’s clearly quite a brief summation of the distress and inconvenience I think RSA caused Mrs G. But I can assure both parties that I have taken account of everything that happened. Overall I think £500 compensation is fair and reasonable in the circumstances. So I won’t require RSA to pay anything more in this respect.”

I remain satisfied by those findings and, given the parties’ responses, I’ve no need to change them. I can understand that Mrs G is now asking for her battery costs to be reimbursed and

she can forward her invoice in this respect to RSA for consideration. But I can't reasonably add a direction for it to do that here as this additional repair cost didn't form part of the complaint made to RSA and this service. Mrs G's request in her complaint was that her financial losses regarding her holidays were compensated for. Which is what I've considered and made an award in respect of.

Putting things right

I require RSA to pay Mrs G:

- £170.80, plus interest* applied from 11 February 2022 until settlement is made.
- £2,992.98, plus interest* applied from 3 April 2022 until 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 RSA to take off tax from this interest. If asked, it must give Mrs G a certificate showing how much tax it's taken off.

My final decision

I uphold this complaint. I require Royal & Sun Alliance 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 Mrs G to accept or reject my decision before 19 October 2023.

Fiona Robinson
Ombudsman