

The complaint

Mr G complains about the time West Bay Insurance Plc (West Bay) took to repair his car after an accident he was involved in, under his motor insurance policy.

What happened

Mr G contacted West Bay to make a claim after his car was damaged in an accident in January 2023. He's a driving instructor and relies on his car to earn an income. His car was undriveable after the accident. Mr G was provided with a dual control hire car for a period of two weeks. This was arranged through a separate insurance policy shortly after the accident.

After the hire period ended, Mr G says it took two weeks to find a replacement vehicle. This has cost him £158 per week up until his car was repaired. He says no replacement vehicle was offered by West Bay. Mr G says he couldn't work without access to a dual-control car.

Mr G says his car wasn't repaired and retuned to him by West Bay until 12 October 2023. He says it should pay his hire car costs and his loss of earnings. Mr G also complains about the poor communication he received throughout the claim.

In its final complaint response, West Bay says Mr G's car was deemed to be repairable, but he was told at the outset that there would be an "extremely long wait" for the parts needed. It says this is due to supply chain issues globally. Other garages were considered, but West Bay says they would face the same issue.

West Bay says Mr G's policy provides for a courtesy car for the duration of a repair, subject to availability. It says there is no obligation for this to be anything other than a small hatchback. West Bay asked its repairer to provide a car if, and when this was required. But in its response it says Mr G had hired a dual-control car to assist with his work. This isn't something provided by his policy.

Mr G didn't accept West Bay's response and referred his complaint to our service. Our investigator upheld his complaint. He says West Bay should pay the cost of Mr G's hire car. In addition, it should pay his loss of earnings for the two weeks he was without a dual-control car. Because of the delays Mr G had experienced in West Bay repairing his car our investigator thought it should pay him £300 compensation.

West Bay disagreed. It says it can't be held responsible for the shortage of spare parts. Mr G's hire car had to be returned less than three weeks after the accident. West Bay says even without the spare part shortage this wouldn't have been enough time to complete the repairs. It doesn't think it should have to pay for lost earnings in light of this.

West Bay doesn't think it's responsible for paying the hire car costs Mr G incurred, under his policy terms and conditions. Or that it should pay compensation. It says it provided accurate information throughout the claim.

As an agreement couldn't be reached, the matter has been passed to me to decide.

I issued a provisional decision in October 2023 explaining that I was intending to uphold Mr G's complaint. Here's what I said:

provisional findings

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 my intention is to uphold Mr G's complaint in part. Let me explain.

West Bay issued its final complaint response in May 2023. However, Mr G has raised concerns with its handling of his claim up to October when his car was finally repaired and returned to him. The Financial Conduct Authority dispute resolution or DISP rules, say that we can't look at a complaint unless its first been referred to the business. So ordinarily I can't consider beyond the date of its final response. However, in this case West Bay has authorised our service to consider the complaint up to the point Mr G's car was returned. So, I will consider the concerns raised in my decision up to this date.

Mr G's policy terms say he's insured to drive for the purposes of social, domestic and pleasure. His policy also provides cover for his occupation as a driving instructor. I can see that he has separate cover that provides a guaranteed hire vehicle. This cover is underwritten by a different insurer and is separate to the motor insurance cover provided by West Bay. Mr G was provided with a dual-controlled hire car for a period of two weeks using this separate cover.

I've looked at what Mr G's policy terms and conditions say about the provision of a replacement vehicle. The Insurance Product Information Document (IPID) says:

"What is insured?

Courtesy car for duration of repairs authorised by us and completed by an approved repairer."

Although West Bay's terms say it will provide a car whilst repairs are underway, I can't see that this specifies the type of car that must be provided. Courtesy cars are commonly supplied by the approved repairer appointed by the insurer. This will usually be limited to a small hatchback, as opposed to a like-for-like replacement of the customer's car. The intention behind this is to keep the customer mobile whilst the repairs are completed. We don't think this approach to providing a replacement car is unfair.

I'm mindful that Mr G's policy with West Bay is essentially a private policy which allows business use. It's not a policy designed to provide a dual controlled car so that he can carry on providing driving lessons in the event of an accident claim. Mr G had separate hire car cover through his broker to facilitate this. But this was for two weeks only. So, although Mr G had arranged for some cover to ensure he was able to continue working – he didn't have cover in the event his car took longer than two weeks to repair.

Having carefully considered this point, I don't think Mr G had adequate cover in place. It wasn't a requirement of West Bay's policy to provide him with a dual control vehicle.

I acknowledge Mr G's comments that he wasn't offered a courtesy car. But I can see that he was supplied with a dual control car shortly after the accident, under his separate policy. I can see from the claim records that he made West Bay aware of this. This means there was no need for a courtesy car from West Bay. After the two-week hire period ended, Mr G still needed a dual control car to be able to work. This isn't something West Bay's repairer had

available, and it isn't something West Bay was expected to provide under its policy.

That said Mr G was without a car for two weeks. This was before he was able to hire another dual controlled vehicle. His policy with West Bay provides for a courtesy car. I can't see from the claim records that Mr G was offered one when the dual-controlled car had to be returned. The records refer to him being advised to contact his other insurer to see if he could extend the hire. But I can't see that West Bay offered a courtesy car at this time.

I think West Bay should've offered Mr G a courtesy car for the two weeks he was without transport. Although this wasn't required to be a dual controlled vehicle, it will have meant that he remained mobile. To put this right West Bay should pay Mr G compensation for his loss of use of his vehicle for this two-week period. Our service considers £10 per day fair compensation for this loss of use. So, West Bay should pay Mr G £140.

I've thought about the two weeks loss of earnings Mr G has requested from West Bay. This was because he didn't have a dual controlled car to carry on providing driving lessons. But as discussed, his policy with West Bay doesn't provide a dual controlled vehicle. It wasn't for West Bay to ensure Mr G could carry on providing driving lessons. So, I don't reasonably think it's responsible for paying Mr G's lost earnings.

Having said that Mr G's car was damaged in January 2023. It wasn't repaired until October. This is a very long time to wait for repairs to be completed. I acknowledge what West Bay says about the ongoing supply issues the industry is facing. I note its comments that this isn't something it could influence. I also acknowledge that West Bay offered Mr G a cash in lieu payment, so he could arrange for the repairs himself at his own choice of repairer.

I've thought about whether West Bay could've done anything more to try and expedite the repairs given the very long delays waiting for parts. I can see that Mr G agreed for a reconditioned part to be used in the repairs to avoid some of the delay. He says this was only mentioned to him in September 2023. He queries whether this could've been considered earlier. I think this is a fair point.

From the claim records I can't see that reconditioned parts were considered by West Bay's garage any earlier than September 2023. I think this would've been a sensible option to consider earlier. It was known from the very start of the claim that extensive delays were expected. I think this shows that more could've been done to try and reduce the overall repair time.

As it is Mr G waited around nine months for his car to be repaired and returned to him. This caused him inconvenience, disruption, and some distress over an extended period. In these circumstances I think West Bay should pay Mr G compensation. I think £750 is fair, and in line with our service's approach to awarding compensation in these circumstances.

I said I was intending to uphold this complaint and West Bay should:

- pay Mr G £140 for the loss of use of his vehicle; and
- pay Mr G £750 compensation for the inconvenience, disruption, and distress it caused him.

I asked both parties to send me any further comments and information they might want me to consider before I reached a final decision.

West Bay responded to say it had no further comments or information to provide.

Mr G responded to say he was shocked at my provisional findings as West Bay had agreed

to contribute towards his hire car costs. He says he wasn't told from the outset that it would be an extremely long wait until the repairs on his car would be completed. He says this was only mentioned in West Bay's final response letter in May 2023. He says that had this been made clear he would've considered alternatives such as buying a cheap car to allow him to continue working.

Mr G says he paid £167 per week for a hire car. He says the cheapest small car from a national provider cost £197 per week. He wasn't provided with a courtesy car by West Bay and says it should reimburse this cost, as it didn't have to provide this service.

In his further submissions Mr G says he was told the drive shaft would arrive on 18 May 2023 and a sensor on 10 August. He was later told the drive shaft hadn't arrived and there was no estimated delivery date. He says it took the repairer four months to inform him this part hadn't arrived and to suggest an alternative solution. He says the suggestion to use a reconditioned part could've been made much earlier, which I acknowledged as a "*fair point*" in my provisional decision. Mr G says this caused further delay until 11 October when he finally collected his car. He says he's expected to pay the additional expense this caused in hire car fees.

Mr G says he would like the loss of use payment I set out in my provisional decision to be extended up to 11 October 2023. This should be paid along with £750 compensation. Mr G says he's also concerned with how I referred to his policy. He says his certificate of insurance stipulates various limitations related specifically to his profession and business.

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 not persuaded that a change to my provisional decision is warranted.

I acknowledge what Mr G says about West Bay contributing towards his hire car costs. However, in its response to his complaint, it declined to reimburse these costs. It also disagreed with our investigator's findings that it should be responsible for paying the hire charges. I note that on receipt of our investigator's findings West Bay said it was prepared to reimburse some of the hire car costs. However, I can't see that a specific offer was made.

As West Bay disagreed with our investigator's findings the complaint was passed to me to decide. I set out what I thought was fair and reasonable in my provisional decision. I didn't think this meant West Bay should have to pay toward the dual control hire car costs Mr G incurred. My opinion hasn't changed as a result of his further comments.

If West Bay wants to pay some of Mr G's hire costs this is a matter between it and Mr G. However, based on the circumstances and evidence I've seen, I'm satisfied that my provisional findings represent a fair outcome to this dispute. This doesn't require it to contribute to these costs.

It took a long time for Mr G's car to be repaired. In my provisional decision I acknowledged more could have been done to explore the use of reconditioned parts earlier. I note what Mr G says about not knowing quite how long a wait it would be for the parts to be obtained. But I do think from the records provided that it was explained there would be delays and these could be lengthy.

Mr G says he could've considered buying a cheap car to use for work if he'd known the delay would be so long. But this is something he was free to consider at any time during the

repairs. I agree this could've been an effective way to mitigate the loss of his dual-control car and allow him to continue working. As Mr G only had cover in place to provide a dual-controlled car for two weeks, and given the cost of hiring a replacement, I think this could've been a reasonable option for him to consider.

I acknowledge Mr G's comments that his policy certificate stipulates various limitations relating to his profession and business. In my provisional decision I made the point that Mr G's policy wasn't designed so that he could continue his business in the event of an accident claim. I said there's no requirement under his policy for West Bay to provide a dual-controlled car so that he could carry on providing driving lessons. So, although I've considered Mr G's comments, this doesn't warrant a change to my decision.

I'm sorry it took a long time for Mr G's car to be repaired and I can understand that this caused him disruption, inconvenience, and distress. But I think the compensation payment and loss of use payment set out in my provisional findings is fair. This will now become my final decision.

My final decision

My final decision is that West Bay Insurance Plc should:

- pay Mr G £140 for the loss of use of his vehicle; and
- pay Mr G £750 compensation for the inconvenience, disruption, and distress it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 December 2023.

Mike Waldron
Ombudsman