

## **The complaint**

Mr S complains about how QIC Europe Ltd (“QIC”) dealt with a claim he made on his motor insurance policy.

QIC is the underwriter of this policy, i.e. the insurer. Throughout the claim Mr S was also dealing with other companies who act as QIC’s agents. As QIC has accepted it is accountable for the actions of its agents, in my decision, any reference to QIC includes the actions of the agents.

## **What happened**

Mr M has a comprehensive motor insurance policy with QIC which started in May 2022.

In March 2023 Mr S’s wife was in the car when she was hit by an uninsured driver so he had to make a claim on his own policy.

Mr S has courtesy car cover on his policy and has paid for this benefit. Initially Mr S was told he could have a courtesy car, and then was told he couldn’t. He says he’s been back and forth with the insurer about this issue.

Mr S was told the repairs to his vehicle had been authorised but he couldn’t be given a timescale for when the repairs would be completed. So Mr S requested a courtesy car again and was told he could have but it wouldn’t be available until the end of April since there was no vehicle available.

Mr S wasn’t happy with the service. He had been without a car for eight weeks which has been inconvenient and caused him a great deal of stress and anxiety. So Mr S complained to QIC.

QIC apologised for the delays in Mr S receiving a courtesy car. It said there was a nationwide problem within the industry – garages are experiencing delays in obtaining parts, and so customers are spending longer in garage’s courtesy cars, which has a knock-on effect to other customers wishing to utilise the service. QIC said it was unable to offer a rental car since there was no guarantee the costs of the same would be recovered. So it didn’t uphold the complaint.

Mr S didn’t agree. So he referred his complaint to this service. One of our investigators looked into things for him. He said he was upholding the complaint. He suggested QIC pay Mr S for loss of use at £6 per day from 22 March until 23 June 2023. He said based on the policy Mr S was entitled to a courtesy car once it has been decided the approved repairer could repair the car. Mr S wasn’t provided with a replacement vehicle, so he was without his car from 22 March until his car was repaired on 23 June. Mr S accepted the investigator’s outcome. But QIC didn’t. It said Mr S was without a vehicle but the issues the industry is facing haven’t been taken into account – such as difficulties in obtaining parts, customers spending longer in the garage’s courtesy cars, which then has a knock-on effect to other customers. QIC also said it wasn’t aware Mr S had a vulnerable family member.

Because QIC didn't agree, the complaint came to me to decide.

### **My provisional decision**

I recently issued a provisional decision setting out my thoughts on the key complaint points and how I thought matters might best be resolved. I said;

*"I'm issuing this as a provisional decision as I've gone further than our investigator and I'm proposing to require QIC to pay additional compensation to Mr S.*

*In his evidence Mr S has provided details about what went on in his claim. I can see from the notes provided by QIC that Mr S contacted the insurer on numerous occasions regarding the courtesy car. And Mr S was told conflicting things about whether he could have one, and when it would be available. He chased it up many times, and in the end offered to hire a car himself. But was told QIC wouldn't pay for it.*

*The courtesy car is defined as, "a small hatchback that **we** arrange to lend you while your car is being repaired." 'We' is the insurer, QIC. So I'm satisfied provision of the courtesy car should have been arranged with the insurer.*

*The courtesy car benefit says the following;*

*"If you have an accident with another known driver, we will hire you a like-for-like car for the time it takes to repair your car, as long as:*

- We consider that the accident was not your fault;*
- The other driver has valid motor insurance; and*
- You have your car repaired at one of our approved repairers"*

*Under the section 'using an approved repairer' it says, "once **we** have decided that our approved repairer can repair your car, **we** will provide you with a courtesy car to use until the repairs are finished."*

*The accident was reported on 11 March 2023, and as early as 14 March 2023 Mr S reported that his car wasn't drivable. Despite this the instruction was sent to the repairer as 'drivable' and it took some further phone calls for Mr S to ensure the correct instruction had been passed on to the repairer. On 15 March 2023 QIC advised there wouldn't be a courtesy car available until the end of April. Mr S was told the policy said the courtesy car from the garage is only provided for the duration of the repairs subject to liability. And so Mr S was left without a vehicle.*

*I have checked the policy and there doesn't appear to be any stipulation that the courtesy car is provided 'subject to availability', or that the garage is responsible for providing the car. As detailed above the policy says 'we' and defines 'we' as the insurer. Therefore I think it was reasonable for Mr S to expect QIC to provide him with a courtesy car for the duration of repairs. But it didn't do this.*

*QIC said it wasn't aware Mr S had a family member with additional needs. On 17 March Mr S called QIC and explained he had a child with additional needs so required a car as soon as possible. He asked if he could hire his own car but was told it wasn't possible. So I don't agree QIC weren't aware of Mr S's personal circumstances. And I think QIC had a responsibility to ensure that when Mr S had told it of his additional needs that arrangements were made to obtain an alternative vehicle for him.*

*QIC said there was a nationwide problem within the motor industry. And it was encountering problems with delays in obtaining parts and customers spending longer in courtesy cars. But that's not Mr S's fault. He paid for a service and I think QIC needs to reasonably provide it on a timely basis. Especially given his personal circumstances.*

*I can see Mr S was in regular contact with QIC and had started making a complaint. It seems to me that QIC's communication with him was disjointed and of poor quality.*

*Mr S has told this service about his frustration with QIC's service. He has been promised calls back but didn't receive any. He was given conflicting information about the provision of the courtesy car. And it didn't take into account Mr S's circumstances.*

*I don't think this is a good service from QIC and I can understand the distress and inconvenience that Mr S had in repeatedly calling QIC to very limited responses and progress over a period of three months.*

*Mr S also made QIC aware of his personal circumstances which it didn't appear to take into account. Mr S explained he and his wife had to use taxi's and trains to get around. I am taking into account the fact that Mr S has a vulnerable child and it was difficult for him to manage without access to a vehicle. So I think QIC need to pay Mr S a total of £300 compensation for this.*

### **Loss of use**

*Mr S had been waiting for a courtesy car to be provided. And given the circumstances, I'm not satisfied that QIC's continued decision not to take steps to provide a vehicle for Mr S is fair. And so in this case I would have expected QIC to take some further action, either by hiring a car for Mr S or contacting its network of repairers and garages to see if more could be done.*

*I can see our investigator awarded £6 per day for loss of use from March to June when he was without a vehicle.*

*This service's approach is to award loss of use at £10 per day. The policy says a courtesy car is provided once repairs are authorised and agreed. The repairs were authorised on 22 March 2023 and the repairs completed on 23 June 2023. This is a period of 93 days so QIC should pay Mr S £930 for the period he was without a courtesy car."*

### **Response to my previous decision**

*I asked both parties to send me any further evidence or arguments they want me to consider.*

*Mr S agreed with the outcome set out in my provisional decision.*

*QIC didn't agree. It said there was an industry wide issue with car parts which occurred due to a number of global events that were outside its control. It said the issues affecting the car repair industry has been widely reported and should be taken into consideration with my decision.*

*QIC accept the policy Mr S entered into had provision for a courtesy car. As explained above there is nothing to say the provision of the car is subject to availability. And while I can see the issues affecting the motor industry were outside of QIC's control I don't think the action it took was reasonable given the circumstances. Mr S offered to hire a car but QIC didn't agree*

to this. And I can't see that it tried to offer Mr S a solution – such as contacting its network of repairers or garages to see if more could be done.

### **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 considered everything again my position has not altered.

So for the reasons I've explained above I'm upholding this complaint and have set out below what QIC need to do to put things right.

### **Putting things right**

QIC Europe Ltd should;

- Pay Mr S £930 for his loss of use
- Pay Mr S a total of £300 compensation for the distress and inconvenience it caused him.

### **My final decision**

My final decision is that I uphold this complaint and direct QIC Europe Limited to do what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 December 2023.

Kiran Clair  
**Ombudsman**